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Japan

Official Rebuffs U.S. Call for Public Spending

OW3005122690 Tokyo KYODO in English 1211 GMT 30 May 90

[Text] Tokyo, May 30 KYODO—A senior Japanese official Wednesday rebuffed a U.S. call for Japan to boost its public spending to 9 percent of gross national product (GNP) from the current 6.5 percent over a five-year period. "Sticking to a figure based on GNP is a serious violation of our agreement on public spending," said one official, who spoke on condition of anonymity.

The official cited an accord between Japan and the United States that the amount of Japan's public spending can be determined with no relation to its GNP.

The U.S. request came during unofficial talks in Hawaii on May 23-24 over the so-called Structural Impediments Initiative (SII) bilateral consultations aimed at eliminating structural barriers to trade and investment to rectify the large trade gap between the two countries. Japan's public spending is one of the major topics involved in the SII talks, in which the U.S. is urging Japan to increase public spending significantly by setting a target based on its GNP.

Japan has not made any commitment to specific figures or percentages for its public outlays based on its GNP, but has promised to show a target amount for public spending itself in a final report on SII talks due out in July.

At the Hawaii meeting, the U.S. also proposed following up progress after the SII talks end with a final report on recommendations. The Japanese official shrugged off the U.S. proposal, saying that "we can't allow the U.S. to interfere with the process of drafting a budget every year."

Agency Views U.S. Demand Regarding Rice Market

OW3005171490 Tokyo KYODO in English 1511 GMT 30 May 90

[Text] Tokyo, May 30 KYODO—U.S. demands for opening Japan's rice market are "unfair" in view of U.S. farm-exporting subsidies, the Food Agency says in two sets of reports released Wednesday. The agency criticized the United States for maintaining restrictions on agricultural imports, saying that "it is unfair to call for an entry into the rice market without abolishing export subsidies to farm products."

Citing Japan's food self-sufficiency rate as the lowest among industrial nations, the agency stressed the need for self-sufficiency in rice, the staple food in Japan. "Japan should not depend on unstable international markets in securing supplies of rice," it said, touching on the importance of food security.

The agency said it is overdoing it to say importing "even a grain of rice" should not be approved, a phrase used by some lawmakers who depend on votes in rice-growing areas, and pointed out that Japan now imports 0.5 percent of its rice demand, including processed rice. But the agency took a dim view of setting an import quota for rice, saying this would not guarantee that there would be no expansion of the quota later.

Japan now puts a ban on rice imports to protect domestic rice growers, but this policy has come under fire from the United States and other rice-exporting nations.

Dietmen To Lobby for Rice Import Curbs

OW2705234590 Tokyo KYODO in English 0954 GMT 27 May 90

[Text] Tokyo, May 27 KYODO—A group of Diet members of the ruling Liberal Democratic Party will visit Geneva in mid-June to rally support for Japan's rice import restrictions among member nations of the Uruguay Round of Multilateral Trade Talks of the General Agreement on Tariffs and Trade (GATT), government sources said Sunday.

The group, led by Tsutomu Hata, former minister for Agriculture, Forestry and Fisheries, will try to win support for Japan's stand that self-sufficiency in rice production is indispensable for insuring a stable food supply for the nation, the sources said.

The United States is pushing for GATT to adopt a plan for "tariffication" of agricultural import restrictions where nations with farm import curbs will be allowed to put tariffs equaling to the amount of restrictive measures for a certain period to insure free trade in agricultural commodities.

The European Community (EC) initially opposed the U.S. plan, but is now reportedly preparing its own tariffication scheme as early as June, raising Japanese fear that GATT talks on farm trade may be concluded by december with an agreement to greatly liberalize farm trade rules, the sources said.

The Diet group will arrive in Geneva on June 14 when GATT agriculture talks will resume formal and informal meetings to compile an outline for liberalization of farm trade ahead of a GATT Trade Negotiation Committee (TNC) meeting scheduled in mid-July, the sources said.

The Diet group will meet with Arthur Dunkel, GATT director-general, and representatives in Geneva of the U.S., EC and other major member countries, the sources said.

More on Deregulation of Interest Rates Report

OW3005055990 Tokyo KYODO in English 1440 GMT 29 May 90

[Text] Tokyo, May 29 KYODO—The government should consider the early elimination of regulations on demand deposit rates while speeding up deregulation of time deposit rates "as quickly as possible," a government advisory group said Tuesday. But the panel did not make specific recommendations on when reforms should be instituted, saying, "authorities should decide upon timing in view of realizing full liberalization as early as possible."

Account depositors' needs and its impact on financial institutions must be taken into consideration, it said. The panel's proposals came in a report presented to Director General Masaaki Tsuchida of the Finance Ministry's banking bureau to whom the advisory group serves.

Speaking at a press conference after submitting the report, Keimei Kaizuka, a professor at the University of Tokyo who chairs the group, said, however, that "in my personal opinion, it is appropriate to lift the remaining regulations over a period of around 3 years."

The timing of full liberalization of deposit rates is now at the center of a dispute between Japan and the United States, with U.S. Treasury officials arguing that Japanese banks benefit from regulated rates to raise funds at lower costs to advance into overseas markets.

In bilateral finance talks in Tokyo last week, U.S. Treasury officials urged their Japanese counterparts to scrap all regulations on interest rates within a year, but the Japanese did not make any commitment to timing. At present, roughly half the interest rates are subject to regulations, which the U.S. claims are used to keep market interest rates artificially low.

Looking at postal savings rates, the advisory group said ceilings on such rates should be determined in line with an average rate of small-lot bank deposit rates in order to prevent confusion in the banking system. In the meantime, the report called for studying the introduction of area-by-area rates on postal savings as part of full deregulation of interest rates. Postal savings account for more than 30 percent of the outstanding balance of personal savings, with outstanding balance exceeding 130 trillion yen.

The report called on banks to brace themselves for full liberalization of interest rates and suggested that mergers and business tieups would be effective measures to do so. In this regard, the report stressed the need for authorities to take administrative steps to support banks in weathering an era of regulation-free interest rates.

The report drew a mixed reaction from financial circles. Bigger banks were positive but smaller banks and financial institutions were unhappy with the prospect of early deregulation of interest rates.

"Japan lags behind other countries in liberalizing interest rates. It is desirable to implement full liberalization as early as possible, so this report is meaningful," said Taizo Hashida, chairman of the Federation of Bankers' Associations of Japan, a trade group representing bigger banks.

But officials at credit associations and other smaller financial institutions expressed concern over an early lifting of regulations on interest rates since they depend more on deposits with regulated rates than bigger banks in raising funds. "If liberalization comes at a fast tempo, some small- and medium-size financial institutions could collapse," said an official at one credit association.

In a related development, trade groups for credit associations, credit unions and agricultural cooperatives presented a joint statement calling on the Finance Ministry to carry out liberalization of interest rates gradually and to spend five to six years lifting the remaining controls on interest rates.

Panel Recommends Keeping Current Account Surplus

OW3105121890 Tokyo KYODO in English 1150 GMT 31 May 90

[Text] Tokyo, May 31 KYODO—Japan must maintain some measure of current account surplus to finance reforms in East Europe and the U.S. external deficit, a government advisory panel said in a report released Thursday.

In an interim report drafted by its subpanel studying international finance transactions, the Committee on Foreign Exchange and Other Transactions said Japan's current account surplus is not necessarily a factor posing a threat to the world economy.

The report applauded progress in slashing Japan's current account surplus so far, saying that the surplus on the current account, a broad measure of trade in goods and services, has been narrowing "at a steady tempo."

"The nation's current account surplus is serving to support stable world economic growth rather than causing a confusing factor in the global economy," the report said. The report cited the surplus as the source of capital to help raise the money needed for nations with current account deficits and debt-plagued developing nations.

The report is an apparent call for a shift in the Government's policy of reducing the nation's external surplus, which has been sought for some time under intense pressure from the United States and other trading partners.

In this context, Japan has been trying to cut its surplus through measures to boost imports via domestic demand.

With these steps, Japan's current account surplus has been dwindling significantly, shrinking 30.8 percent in fiscal 1989 from a year earlier to 53.5 billion dollars, or 2.0 percent of gross national product. [GNP]

Japan's current account surplus peaked at 94 billion dollars in fiscal 1986, equivalent to 4.5 percent of GNP.

The report is in line with the latest world economic outlook released by the International Monetary Fund early this month, in which the Washington-based international agency warned Japan against cutting its external surplus too quickly.

In forecasting trends in the nation's current account, the report took a dim view of the possibility that Japan will lose its surplus in the near future.

"It is a dominant view that the surplus itself will not be wiped out soon," said the report, while predicting that the surplus will be on the decline for a while given increased overseas production by Japanese firms and an ongoing shift in the economy from an export-oriented one to one depending on demand at home.

Turning to Japanese investment abroad, the report urged caution in purchasing "symbolic" assets in foreign countries, particularly real estate.

"In some nations which accept Japanese direct investment, there is a growing feeling against the increasing Japanese presence and emotional criticism of the growing industrial dominance by the Japanese," it said.

"Due attention must be paid to these investment-related disputes," the report noted.

Live Fire Exercises on Okinawa Protested

OW2805065590 Naha RYUKYU SHIMPO in Japanese 25 May 90 Evening Edition p 1

[Text] Members of the prefectural assembly are very concerned about the live fire exercises being carried out by the U.S. forces on Okinawa at the Urban Combat Training Facility [UCTF] on Camp Hansen located on the outskirts of Onna-son. The assembly held an extraordinary session at 1000 on 25 May to discuss this issue. At this session, which opened with a protest against the holding of live fire exercises at the UCTF, a written opinion statement and a protest resolution demanding an immediate suspension of such exercises and the removal of this facility were unanimously adopted.

In both its written statement and protest resolution, the assembly charged: "Forcibly constructing this facility and then forcibly conducting live fire exercises there amounts to trampling the wishes of the prefectural people. We truly regret this act." The prefectural assembly demanded an immediate halt to the exercises, as well as the immediate removal of the facility itself.

This is the fifth written statement and protest resolution regarding the UCTF to be adopted by the prefectural assembly to date. From 29 May to 1 June, the prefectural assembly will send a delegation (composed of five members) on a mission to the Foreign Ministry, the Defense Facilities Administration Agency, the Headquarters of the U.S. Forces in Japan, and other relevant organizations to press forward their demand.

At the assembly session, Mr. Masahiko Nakamatsu (of the Liberal Democratic Party) explained the reason for introducing this written statement and protest resolution to the floor. In his speech, Mr. Nakamatsu pointed out that the UCTF was located close to the residential area of Onna-son. He said: "The forcible conduct of live fire exercises not only can destroy people's living area and natural environment, but it can also lead to accidents in which people get hit by bullets. We certainly cannot allow these exercises to continue."

Mr. Nakamatsu noted: "The prefectural assembly has adopted written statements and protest resolutions four times in the past, demanding that construction of this training facility be stopped. But construction continued despite this protest. The recent conduct of live fire exercises tramples the wishes of the prefectural people." He called for an immediate suspension of training and the immediate removal of the training facility in order to safeguard the life and property of the people and to protect the natural environment.

After the ruling and opposition parties unanimously adopted the written statement and protest resolution, Governor Nishime explained the reason for introducing a bill regarding an amendment to the rules of prefectural taxes. This bill is due to be passed at a plenary session on 26 May.

Official Comments on Gorbachev Visit in 1991

OW2905184290 Tokyo KYODO in English 1056 GMT 29 May 90

[Text] Tokyo, May 29 KYODO—A senior Foreign Ministry official said Tuesday that the government expects progress on the northern territories issue when Soviet President Mikhail Gorbachev visits Japan in 1991. The official was reacting to remarks made by former Japanese Ambassador to Moscow Toshiaki Muto on Monday that he does not believe that the Soviet leader will make a "bold proposal" on the territorial dispute.

"What (Muto) said is not meant to reflect the government's official position," said the ministry official, who spoke on condition of anonymity.

Muto, who left the Moscow post in April after a two-and-half-year stint there, said in a press conference that chances are slim that Gorbachev will bring a bold proposal on resolving the bilateral dispute over three islands and a group of islets occupied by the Soviets since the end of World War II.

Rather, he said, Gorbachev's visit to Japan should be deemed a "great success" if the Soviet leader leaves here with the firm impression "that Japan is indeed an important country."

The Foreign Ministry official, however, said that Japan is still hoping to see a "forward-looking movement" with respect to the territorial issue when Gorbachev comes.

The official added that any judgement of the "success" of the visit would have to be based on whether or not progress was achieved with respect to "the most important issue, that is the territorial issue."

"I think that now the Soviet leadership is thinking of how to find a way to make a breakthrough in Japan-Soviet relations, which are now facing a deadlock," the official said.

"But at the same time, we should be realistic and should make every effort ourselves to move forward on the territorial issue," he added.

"Nobody knows what is going to happen," he said. "But if (Gorbachev's) visit is fruitless, this will be of no benefit to either of us."

Noting Gorbachev's discouraging remarks last month that the Soviet Union has "no land to spare," the official lamented that the Soviet leadership has given no indication of any change in its "very hard position" on the territorial issue.

Gorbachev Compromise on Territories Seen Unlikely

OW2805222290 Tokyo KYODO in English 1232 GMT 28 May 90

[Text] Tokyo, May 28 KYODO—Soviet President Mikhail Gorbachev is unlikely to bring bold proposals over a dispute concerning four Soviet-occupied islands when he visits Japan next year, Japan's former Ambassador to Moscow Toshiaki Muto said Monday.

Muto, who served as ambassador to Moscow from 1987 to last April, said, however, that he would deem Gorbachev's visit to Japan a "great success" if the Soviet leader leaves Japan with a strong determination to improve bilateral relations.

"Some reporters have suggested Gorbachev has a penchant for making surprise proposals every time he goes abroad and asked me if I think he will also do so with respect to the northern territories when he comes to Japan," Muto said in a speech at the Japan National Press Club.

"I've told them that that is doubtful," he said referring to the disputed three islands and a group of islets off Hokkaido which were occupied by the Soviet Union at the end of World War II.

Instead, he said, Gorbachev's visit will likely mark a new "starting point" for the development of bilateral relations, in which the two sides really "get down to business."

"The most important thing is that Gorbachev comes to Japan, sees it with his own eyes, and acquires the impression that Japan is an important country," Muto said. "Then I think his visit would be a great success."

Muto said, however, that Gorbachev's rise to power has enhanced the possibility that Moscow will come to "a very great political decision" with respect to the territorial issue.

With Gorbachev at the helm, he noted, the Soviet Union has concluded the intermediate-range nuclear forces agreement with [sentence as received]

Muto noted that the various opinions put forth by prominent Soviet personalities have led to talk in Japan of a "softening" of the Soviet position on the northern territories issue.

"My basic impression, however, is that it is a bit premature to come to such a conclusion," he said.

Muto said that in fact Soviet academics have been speaking their mind on the issue for quite some time.

What has changed, he said, is that under the influence of glasnost their personal opinions have been picked up by the media and brought out into the open.

He said the fact that the Soviet media does not ignore the issue any more is significant as it has led to an enhanced awareness among the Soviet public that there exists a territorial problem between the two countries.

But as far as the official Soviet position goes, Muto said, "there has been no inkling of a change in their way of thinking or the direction which they have maintained up to the present."

Muto said it is premature to talk at this point about the modalities of a hypothetical territorial reversion, as that is a subject to be negotiated with the Soviets in the future.

But he said it would not be "common sense" to expect the Soviets to return the islands without attaching any conditions.

Productivity Center for East Europe Proposed

OW2705233990 Tokyo KYODO in English 0709 GMT 27 May 90

[Text] Tokyo, May 27 KYODO—Japan has proposed a plan to establish a productivity center in East Europe to help develop a market economy in the countries there, government sources said Sunday.

The proposed center will be a way for each East European nation to smoothly introduce market economy and prepare various economic statistics.

The center is aiming to control supportive measures from Western countries in such areas as technological development and transfer, market research, quality control, and manpower development, the sources said.

It will make close contact with the East European Support Center established by the Organization for Economic Cooperation and Development (OECD) in March in Paris, sources at the Ministry of International Trade and Industry (MITI) said.

The Japan Productivity Center, established after World War II with help from the United States, helped to develop Japan's productivity.

Japan will propose the plan to a Japan-European Community ministerial meeting scheduled to be held in Brussels on Tuesday, the sources said.

Kaifu Meets With Former French President

OW2805132090 Tokyo KYODO in English 0735 GMT 28 May 90

[Text] Tokyo, May 28 (KYODO)—Prime Minister Toshiki Kaifu told former French President Valery Giscard d'Estaing Monday that he expects more cooperative relations with South Korea following president No Tae-u's visit here last week, a Foreign Ministry official said.

"In the past there were some aspects of history where the Japanese and Korean people had different perspectives, but this time we defined the root cause of the problem in past history," Kaifu was quoted saying.

"I am very happy we were able to agree to cooperate as good neighbors in the future," Kaifu told Giscard d'Estaing during a 30-minute meeting.

Last week Kaifu apologized to No for causing hardships in Korea during Japan's 1910-1945 colonial rule.

Kaifu and Giscard d'Estaing shared the view that detente in Europe has yet to have a major impact on Asia, the official said.

Kaifu said, however, that No told him he is hopeful that the democratic changes sweeping East Europe would give an impetus to better relations on the Korean peninsula.

Turning to trade issues, Giscard d'Estaing urged Kaifu to make further efforts to open Japan's markets to imports, the Foreign Ministry official said.

The former French president told Kaifu that he hopes to see improvements in access to Japan's markets. "Japan still has a trade imbalance and there are claims that this is due to trade barriers," Giscard d'Estaing said in reference to Japan's persistent trade surplus with France.

Kaifu responded that Japan has instituted market opening measures and that these measures are applicable to all nations, not just the United States, the nation primarily involved in pushing for the removal of trade barriers in Japan.

Giscard d'Estaing arrived from Seoul Saturday on a five-day visit.

He is to deliver a lecture Tuesday, before returning to France Wednesday.

Spokesman Views Tokyo Conference on Cambodia

OW2905125590 Tokyo KYODO in English 1126 GMT 29 May 90

[Text] Tokyo, May 29 KYODO—A Foreign Ministry spokesman said Tuesday that the achievement of a ceasefire at the Tokyo round of Cambodian peace talks on June 4-5 will not in itself be sufficient to ensure the success of the conference. "It is quite probable that there could be a ceasefire," said spokesman Taizo Watanabe in a meeting with foreign correspondents. "But our aim is not to bring about a ceasefire only."

Watanabe said Japan wants to see a legal and political basis established for a long-term comprehensive peace settlement. "That is why we are facilitating talks between Cambodians in Tokyo," he said.

The spokesman said that "too much significance" should not be attached to a ceasefire arrangement if it has the potential to turn out to be "a short-term one" or if it is "not based on a comprehensive peace."

Questioned on what has become of an earlier Japanese proposal for the establishment of a international committee on Cambodian reconstruction, Watanabe said, "our thinking is 'first things first.'"

"We believe the first thing to do is to facilitate talks between the Cambodian groups themselves," he explained.

The spokesman said that once the results of the conference are transmitted to the five-nation United Nations Security Council conference on Cambodia, "then we can talk about many things, including reconstruction efforts needed on the part of advanced nations."

Watanabe confirmed that Khmer Rouge official Khieu Samphan will be admitted into Japan for the Tokyo conference, but said that Japan will not treat him as a "formal representative" to the Cambodian peace talks.

He said that Japan's stand is to "facilitate talks" between Hun Sen and Sihanouk.

"The formal representative (of the Cambodian resistance) in our understanding is Prince Sihanouk and that is the principle we are going to hold until the end."

Watanabe told reporters last Friday that Japan is aware of apprehension expressed by the United States and other countries about any "active involvement" of Khmer Rouge representatives in Tokyo.

"Our fundamental position is that the Khmer Rouge should not take a leading role in the process of a settlement of the Cambodian situation," Watanabe said.

The ministry spokesman called the presence of Khmer Rouge representatives in Tokyo a compromise.

If the Khmer Rouge is entirely left out of the peace process "that would constitute a disturbing and destabilizing element in the scene.," he said.

Japan wants the Khmer Rouge to remain under the firm control of Sihanouk while it participates in the Tokyo conference, it said.

Ministry on Seating Request for Cambodian Talks

OW3005125190 Tokyo KYODO in English 1110 GMT 30 May 90

[Text] Tokyo, May 30 KYODO—Cambodian leader Hun Sen, premier of the Vietnamese-installed government in Phnom Penh, has requested that no resistence group other than the one headed by Prince Norodom Sihanouk "be seated at the main table during peace talks in Tokyo on June 4-5, Foreign Ministry sources said on Wednesday.

Hun Sen's recent request to Japanese officials appeared to indicate his government's opposition to talks on an equal footing with the Khmer Rouge, which will be represented at the Tokyo conference by its head Khieu Samphan.

In light of the fact no preparatory talks for the Tokyo conference have been carried out between the concerned parties, Hun Sen's remarks appear to increase the risk that inter-Cambodian quarreling over the logistics of the meeting could undermine the chances for its success before it even gets underway.

"Hun Sen would like this meeting to be kept between himself and Prince Sihanouk," said one ministry official. "He does not want to see the Khmer Rouge represented as an independent (negotiating) party."

The official added assurances that "while Khieu Samphan is coming in the delegation of Prince Sihanouk, he is only one of the members of the delegation and we do not intend to give him any independent status." The Khmer Rouge carried out a policy of genocide during its 1975-1979 rule.

Parties Urged To Settle Cambodian Conflict

OW2805141390 Tokyo KYODO in English 1229 GMT 28 May 90

[Text] Tokyo, May 28 KYODO—Japan will be pushing all parties in the persisting Cambodian conflict to agree to a ceasefire and conditions for a comprehensive settlement under United Nations auspices in talks here next week, Foreign Ministry sources said Monday.

The talks, set for June 4 and 5, bring together Prime Minister Hun Sen of the Vietnam-backed Phnom Penh government and resistance leader Prince Norodom Sihanouk in an attempt to end the fighting, now in its 11th year.

Foreign Minister Taro Nakayama plans discussions on an individual basis with the two leaders, the sources said.

Leaders of the two other reisistance groups, Son Sann and Khmer Rouge head Khieu Samphan, are also likely to attend the talks.

In Cambodia, the sources said the two sides are near a ceasefire agreement but disagree on the conditions of UN control.

As a prelude to the talks, the UN Security Council defined specific provisions for a peace settlement in a May 25-26 session.

The council's permanent members—the United States, the Soviet Union, Britain, France, and China—agreed that UN peacekeeping forces must monitor the withdrawal of foreign forces and there should be a halt to outside military assistance.

Other conditions include the participation of all four parties in a Supreme National Council, UN-supervised free and fair elections, and guarantees of Cambodian neutrality and independence.

Japan agreed to push the UN plan at the Tokyo conference after informal consultations with the U.S., Britain, and France, the sources said. Thai Prime Minister Chatchai Chunhawan proposed the Tokyo talks last month.

Several previous rounds of Cambodian peace negotiations, the first in Jakarta in July 1988, have ended without major progress.

But a recent decision by Prime Minister Hun Sen to consent to participation, but not control, by the Khmer Rouge have heightened prospects for the Tokyo session.

More than one million Cambodians died during the Khmer Rouge's four-year rule, according to Western reports.

Thailand's Chawalit To Monitor Tokyo Talks

OW3005121390 Tokyo KYODO in English 1050 GMT 30 May 90

[Text] Tokyo, May 30 KYODO—Thai Deputy Prime Minister Gen. Chawalit Yongchaiyut arrives in Japan on Saturday to monitor the Cambodian peace talks in Tokyo on Monday and Tuesday, Foreign Ministry officials said Wednesday.

Chawalit, who holds the dual posts of deputy prime minister for national security affairs and defense minister, is also likely to hold talks with Japanese Defense Agency Director General Yozo Ishikawa while in Tokyo, the officials said.

The officials said that Chawalit is not expected to actually sit in on or to help coordinate the peace talks to be held between Cambodian resistance leader Prince Norodom Sihanouk and Phnom Penh Government Premier Hun Sen. Rather, the Thai strongman will be following the progress of the meeting from the sidelines and offering assistance if requested by the Cambodian participants, the officials said.

"Our assumption is that Chawalit will be working in close cooperation with our government," said one official. The officials indicated that Japan aims to take a relatively more active role in its position as host for the international peace parley, the first of its kind to be held in Japan.

Foreign Minister Taro Nakayama and Deputy Foreign Minister Hisashi Owada will be sitting in on the talks at every available opportunity, they said. But Japan has no intention of directly participating in the talks, they added.

Chawalit's presence during the talks stems from the fact that they were originally suggested by Thai Prime Minister Chatchai Chunhawan when he visited Japan in early April. During Chawalit's talks with Japan's State Minister for Defense Ishikawa, attention is likely to be focused on Japan's reaction to Chatchai's controversial proposal earlier this month for a naval training program between the two countries.

Chatchai has requested that experts from the Japanese Maritime Self-Defense Force (MSDF) impart to the Thai Navy some of Japan's sophistication in electronic naval technology. Japan has reacted cautiously to the proposal as its policy bans the export of arms and the overseas dispatch of its defense forces. Japan is also aware of apprehension in some Asian countries over its future security role in the region.

Chawalit, who served as Thailand's army commander-in-chief until last March, is tipped as a potential future successor to Chatchai. He will be making his first visit to Japan since assuming his political post.

Kaifu Expected To Visit Seoul Before Emperor

OW2805044690 Tokyo KYODO in English 0422 GMT 28 May 90

[Text] Tokyo, May 28 KYODO—Prime Minister Toshiki Kaifu is likely to precede Emperor Akihito in making an official visit to South Korea, government spokesman Misoji Sakamoto said Monday. The visit of Emperor Akihito will be scheduled according to domestic and international considerations, but will not take place until after his enthronement ceremony, Sakamoto, the chief cabinet secretary, said.

"There is a strong possibility that Prime Minister Kaifu will visit first," he told a regularly scheduled news conference.

The enthronement ceremony is slated for November.

President No Tae-u invited Emperor Akihito and Kaifu to South Korea during a state visit here last week.

Emperor Akihito's visit would be the first by a Japanese emperor to South Korea, which was under Japan's colonial rule from 1910 to 1945.

Nagasaki Mayor Intends To Hire Koreans

SK2605053490 Seoul YONHAP in English 0449 GMT 26 May 90

[Text] Tokyo, May 26 (YONHAP)—The mayor of Nagasaki said Friday he intends to ignore a ban on hiring Koreans and other foreign nationals in the city administration.

Mayor Hitoshi Motoshima, shot by a rightist for holding the late Emperor Hirohito responsible for Japan's actions during World War II, said he would first open the tourism and international affairs sections of city hall to foreigners.

Branding as "outdated" the Cabinet Legislation Bureau's ban on employment of foreigners in positions related to state decisions, he said, "Japan has to employ Koreans who have been born, educated and discriminated against here, since we colonized the Korean peninsula. I will first open the tourism and international affairs sections to foreigners and then all the other administration positions."

On April 16, addressing new city employees, Motoshima said he would seek to hire foreigners in order to banish discrimination. Motoshima's remarks triggered an immediate warning from the Home Ministry that employment of foreigners might cause trouble.

"The Cabinet Legislation Bureau states that only Japanese nationals can be employed for positions related with the enforcement of public authority and state decisions. It may be all right for the city of Nagasaki to employ foreigners in sections that do not fall into these categories, but they may cause trouble if they are shuffled to other positions," the ministry was quoted by Nagasaki officials as saying.

Motoshima said the regulations were outdated and unsuitable for Japanese society due to internationalization.

He complained that he had tried to employ foreigners a few years ago, but failed due to the ministry's objection.

An official in the general affairs section, which is in charge of hiring, said the final decision on employment of foreigners would be made after hearing the Home Ministry's formal position on the scope of city hall's jurisdiction in this regard.

He noted that Home Minister Keiwa Okuda had earlier said his ministry's basic policy was to expand employment of Koreans.

Search for Information on Forced Korean Labor

OW2905065390 Tokyo KYODO in English 0535 GMT 29 May 90

[Text] Tokyo, May 29 KYODO—The government said Tuesday it will make a thorough search for wartime records requested by South Korea after related ministries reported they have no information on some 670,000 Koreans drafted into forced labor half a century ago.

Top government spokesman Misoji Sakamoto said the entire cabinet would be enlisted in the search. "I hope to ascertain the location of the registers as soon as possible," the chief cabinet secretary said.

His pledge came after the issue caused Diet business to grind to a halt on Monday when government officials told opposition questioner Yasuko Takemura of the Japan Socialist Party they did not have the documents requested during a visit to Japan last week by South Korean President No Tae-u.

Diet debate resumed after Foreign Minister Taro Nakayama said he would call for an investigation.

Sakamoto, addressing a regularly scheduled news conference, declined to comment on whether failure to locate the documents could mar relations with Seoul.

No departed Saturday after a conciliatory three-day visit during which the two governments agreed they made progress in clearing away ill feelings remaining from Japan's 1910-1945 colonial rule of Korea.

During No's visit Nakayama said he would refer a South Korean request for the names of Korean laborers to the Ministry of Health and Welfare. It is not known, however, whether the documents still exist.

From 1939 to 1945 Japan drafted 667,680 Koreans and Chinese to work in Japanese mines and factories, and on construction projects, according to documents of the Wartime Home Ministry.

The pro-Pyongyang General Association of Korean Residents in Japan (Chongnyon) estimates at least 2.06 to 5.5 million Koreans were drafted.

Sakamoto said he believes the lists also included names of so-called "comfort women" from other Asian countries. Researchers estimate that these included around 70,000 Korean women, who were sent to serve as prostitutes for Japanese soldiers fighting overseas.

Documents listing Chinese draftees are not included in the search because Japan has not received any similar request from the Chinese authorities, Sakamoto said.

New Guidelines for Teaching Japan-Korea History

OW2905065890 Tokyo KYODO in English 0514 GMT 29 May 90

[Text] Tokyo, May 29 KYODO—Education Minister Kosuke Hori said on Tuesday that the ministry will direct teachers to teach schoolchildren "the full historical facts" relating to the colonization of Korea by Japan between 1910 and 1945.

Hori, in a meeting with reporters following a regular cabinet meeting, said, "The Education Ministry is not able to skip such historical facts as that the Japanese Government took Korean people to Japan to be engaged in forced labor during the colonial era." His remark followed the visit of South Korean President No Tae-u to Japan last week.

During his visit, No reiterated that South Korea and Japan will be able to build further friendly relations by sharing a recognition of the common history between the Japanese and South Korean people.

Hori said the ministry will give the principals and senior teachers of elementary, junior high and high schools guidelines on teaching the Japan-Korean historical issues to schoolchildren and students.

NTT Increases Purchasing of Equipment Overseas

OW2905041390 Tokyo KYODO in English 0837 GMT 28 May 90

[Text] Tokyo, May 28 KYODO—Nippon Telegraph and Telephone Corp. (NTT) said Monday that it purchased 50.4 billion yen worth of telecommunications equipment from overseas in fiscal 1989, ended March 31, up 22 percent from the previous year.

In dollar terms, the procurement value was 352 million dollars, a 9-percent increase over the prevous year.

Among main purchases were a digital switching system, digital [words indistinct], pocket pagers, and mobile [words indistinct] including a digital switching system bought from Northern Telecom totaled 45.6 billion yen, 90.5 percent of the total.

NTT has been working to build up its purchases steadily from overseas since 1981.

Army Sends Airport Massacre Anniversary Note

OW2805234590 Tokyo KYODO in English 0828 GMT 28 May 90

[Text] Tokyo, May 28 KYODO—The Japan Red Army has sent a message to supporters before the 18th anniversary of its attack at Israel's Lod Airport denouncing the migration of Jews to the occupied territories, sources said Monday.

The statement, addressed to Red Army sympathizers in Tokyo, said the mass migration of Jews to the occupied West Bank and Gaza Strip was a serious challenge not only to the Palestinian revolution but also all Arab people.

The guerrilla group also called for creation of a new revolutionary party in Japan.

On May 30, 1972, three Japan Red Army members opened fire with guns and grenades at Lod International Airport in Tel Aviv killing 26 people and injuring 72.

The Japan Red Army conducted a series of hijackings in the 1970s and Japanese police put 16 of its members on the international wanted list.

Naha DFAB Director on Urban Combat Training

OW2905095490 Naha OKINAWA TIMES in Japanese 25 May 90 Morning Edition p 2

[Text] Keijiro Yanai, director of Naha Defense Facilities Administration Bureau [DFAB], in a regular news conference held on 24 May, reiterated his position on the issue of the urban combat training facility, saying: "I think it is safe." He indicated his belief that the DFAB did everything it could to ensure safety, and said: "What is left to be done now is for the U.S. Forces [USF] to exercise caution." Regarding relocation of the training facility, Mr. Yanai said that "this will be done in two years' time." He did not talk about a new location in detail, but suggested that the scale of the new facility would be the same as that of the current facility.

Regarding the fact that Onna Town Assembly unanimously adopted its fifth protest resolution and statement on the same issue, Director Yanai repeated the view given in the past, saying: "We are giving sufficiant consideration to the safety matter, telling the U.S. forces to do the same. Accepting DFAB's request, they [the U.S. forces] closed up the structure's windows facing the residential area. I think the facility is safe."

On Kin villagers' uneasiness about possible occurrence of stray bullet incidents like the ones which happened in Kin-cho, Mr. Yanai showed sympathy [with the villagers' feelings], but said that what was left now was up to how the U.S. forces conducted their training.

It has been made known that the facility would be relocated within with area of Camp Hansen, and, in this regard, he said: "We will have to do it in two years. There has been no final decision as to the site of relocation."

Speaking about recent protest movements leading to "clashes" between the U.S. forces and residents, as seen in Kunigami-son over the Harrier-pad issue and in Onna-son over training, the bureau director said: "I really wish these things would not happen." His words revealed he had very grave concerns about the naivity of the local residents.

MITI Issues Official Notification on DAT

OW3105091390 Tokyo KYODO in English 1118 GMT 30 May 90

[Text] Tokyo, May 30—The Ministry of International Trade and Industry (MITI) on Wednesday officially notified Japanese makers of digital audio tapes that their product must now conform to a new international technological standard agreed on last June, MITI officials said.

The new record-restricting system for DAT was agreed to by 12 Japanese producers, three European companies, and two recording trade groups. It allows makers to produce DAT players that can make one copy from a CD, a prerecorded DAT cassette, or digital broadcast.

The system, called "serial copy management system," however, prevents subsequent recordings being dubbed from those recordings.

It allows up to two generations of DAT copies from traditional, or analogue, sources—such as records or cassettes— but prevents owners from making a third copy.

Under the current record-restricting system, DAT machines cannot possess the capability to make any copies from CD players.

DAT, like its thriving technological cousin the digital compact disc or CD, can reproduce music virtually without distortion or background noise.

But unlike CDs, DAT can also record sounds with virtual perfection, a technological feature that recording industries fear will lead to a proliferation of flawless copies of CD material, threatening their business.

The MITI notification on Wednesday, issued to 37 Japanese producers in response to their request, is expected to pave the way for widespread marketing of DAT machines.

About 80,000 DATs have been sold worldwide since the advent of the machines around 1987, according to MITI.

It is a widely accepted fact that DAT sales have been slow so far primarily because of the recording restrictions.

Major Commercial Banks Report Poor Earnings

OW2905041190 Tokyo KYODO in English 1333 GMT 28 May 90

[Text] Tokyo, May 28 KYODO—Citing unfavorable domestic interest rate spreads and troubled loans to developing nations, Japan's 13 major commercial banks reported poor unconsolidated earnings results on Monday for the fiscal year ended on March 31.

Most of these banks, including Sumitomo Bank, Dai-Ichi Kangyo Bank, and Fuji Bank, announced declines in pretax profits, dragging down their combined pretax profits for the first time in four years, by an average 19.9 percent.

Many also saw their net operating profits go down, with combined profits falling by 0.8 percent.

Net operating profits are a category of income under new accounting rules introduced last September to separate revenues from core business from those from stock transactions and investment-specified money trusts.

Bank officials blamed the profit setback largely on the narrowing spread between deposit rates and lending rates and on increased fund-raising costs due to greater use of money market certificates (MMCS) and other market-oriented savings instruments against the backdrop of four increases in the nation's official discount rate since last May.

Also cited as putting a damper on bank earnings were write-offs of 589.2 billion yen in bad loans to Mexico based on an agreement between the debtor nation and creditor banks on cutting the debt burden under the so-called Brady plan—a Third World debt relief strategy proposed by U.S. Treasury Secretary Nicholas Brady.

The officials also singled out an increase in loan-loss reserves for outstanding loans to Third World nations as another negative factor.

Other factors exerting negative pressure, they said, were sluggish profits from bond dealings owing to a slump in Japan's bond market.

Sumitomo Bank retained its position as Japan's top bank in terms of pretax profits, net operating profits and after-tax profits, while overtaking the Bank of Tokyo as the biggest earner from international banking business.

Mitsui Bank and Taiyo Kobe Bank, which were merged on April 1 to create Mitsui Taiyo Kobe Bank, reported their last earnings results. Their combined pretax profits put the new bank in fifth slot in pretax profits and second in outstanding deposits after Dai-Ichi Kangyo Bank.

Following are bank-by-bank results for fiscal year ended on March 31 in billions of yen with year-to-year comparisons in percentage terms in parentheses:

	pretax profit	net operating profit
Sumitomo	352.6 (-15.4 pc)	276.0 ("14.4 pc)
Sanwa	319.6 (- 2.6 pc)	242.9 ("51.4 pc)
Fuji	296.8 (-24.6 pc)	189.6 ("10.5 pc)
Dai-Ichi Kangyo	295.4 (-23.7 pc)	170.1 (- 1.2 pc)
Mitsubishi	270.9 (-23.8 pc)	162.9 (-28.2 pc)
Mitsui Taiyo Kobe	215.7 (-25.3 pc)	132.3 (- 2.0 pc)
Mitsui	125.9 (-26.9 pc)	60.1 ("14.0 pc)
Taiyo Kobe	89.7 (-22.9 pc)	72.2 (-12.3 pc)
Tokai	103.6 (-26.9 pc)	11.3 (-86.3 pc)
Tokyo	89.6 (-12.3 pc)	74.0 (- 7.2 pc)
Kyowa	62.8 (-20.1 pc)	74.2 (- 0.5 pc)
Daiwa	61.9 (-30.1 pc)	84.2 (- 2.4 pc)
Saitama	50.5 (-33.0 pc)	54.6 ("16.8 pc)
Hokkaido Takushoku	44.8 (" 1.4 pc)	34.1 (-14.4 pc)

Note: figures for Mitsui Taiyo Kobe Bank were calculated by KYODO NEWS SERVICE.

Focus of Aid Seen on 'Soft Resources'

OW2405214890 Tokyo KYODO in English 0811 GMT 24 May 90

[Text] Tokyo, May 24 KYODO—Japan's economic aid has been effective in enhancing recipient nations' industrial bases, but more weight should be placed on intangible assets like technology or know-how in the 1990's, a government report said Thursday.

The report, compiled by the Ministry of International Trade and Industry (MITI), also contended loans are more often than not a better tool as assistance than grants for fostering a self-help spirit among developing countries.

The 94-page report surveys the past records of Japan's economic aid and looks for a desirable future policy for the 1990's.

Japan's total economic assistance from both the public and private sectors grew from 6,766 million dollars in 1980 to 21,423 million dollars, or 0.75 percent of Japan's gross national product, in 1988, according to the report.

Japan has been the world largest supplier of funds to developing countries for the fourth consecutive year since 1985.

One of the main features of Japan's assistance is that it has traditionally been directed at bolstering the industrial infrastructure of the recipient countries.

This policy has proved to be appropriate in the case of Thailand, since that sort of aid is quite conductive to nurturing constructive coordination among the assistance, Japan's investments in the country, and the activities of the recipient's private sector.

In Thailand, where Japan's aid focused primarily on projects to strengthen basic industrial facilities, the money spent on such projects has successfully expanded Thai exports and cranked up the country's economic growth to above 10 percent in 1988.

Thailand's industrial exports more than tripled from 1980 to 1988, and Japan's direct investments in the country multiplied by 26-fold during the period.

Thailand, which has been receiving between 5 to 10 percent of Japan's total economic assistance every year throughout the 1980's, is a good testimony to the effectiveness of Japan's aid, it said.

Another feature of Japan's assistance is its concentration on Asian countries, according to the report.

The report, however, brushed off concerns among these favored recipients of Japanese aid that Japan might try to redraw its assistance map to achieve a more balanced picture.

It declared Japan should continue to give top priority to Asian countries in its economic assistance activities because the area is still relatively poor and no other country can possibly replace Japan as the main provider of money to these countries.

Despite the impressive success with regard to strengthening the material basis of developing countries' industry, the report argued, Japan should give more heed to the growing demands among these countries for such nonhardware resources as technology and management know-how.

It said this is clearly illustrated by the fact that Japan's technology exports to Asian developing countries have been on a sharp upswing in the past decade.

In order to contribute to further promotion of technological and information transfer to these countries, Japan should, among other things, help establish international rules concerning technology trade, foster engineers, and improve the environment for investments, the report said.

It added that one of the most important steps Japan should take immediately in this respect is to establish educational institutions for its own assistance experts.

The report also pointed out that loans often play an important role in nurturing self-help attitudes in developing countries, and should not be regarded as an inferior method of assistance.

Touching on the oft discussed problem of Japan's lack of clear guiding principles for economic aid, the report said such general tenets as humanistic concerns and acknowledgment of nations' interdependence should guide Japan's aid programs in the next decade.

Citing the fact that major industrial nations provide aid according to their own historical and political reasons, the report questioned the wisdom of flaunting specific credos for assistance besides the general tenets.

Government Urges Better Use of Labor Resources

OW3105140990 Tokyo KYODO in English 1300 GMT 31 May 90

[Text] Tokyo, May 31 KYODO—Labor-short smaller businesses should be revitalized by correcting "labor force mismatches" and promoting employment of more women and more elderly workers, instead of depending on foreign laborers, the Government stressed in a pamphlet released Thursday.

The booklet, jointly published by the Small and Medium Enterprise Agency and the ministries of justice, labor, and foreign affairs, aims at answering questions frequently raised by owners of smaller firms thirsty for a young labor force, and coincides with a revised Immigration Act providing for new penalties against employers of undocumented foreign laborers taking effect on Friday.

The question-and-answer book for small-firm managers said the Government is promoting employment of women and more elderly workers, as well as rationalization enhancement to help channel more labor power into seriously labor-short areas known as the "3 K" jobs—dangerous (kiken), dirty (kitanai), and hard (kitsui).

The Government often considers such jobs, especially common in construction and factory work, to be "unskilled" and has banned the employment of foreigners in these fields, although tens of thousands of Asian laborers without proper papers work in these areas.

"To easily accept a foreign labor force to cover labor shortages without these efforts would delay the improvement of labor conditions and of the industrial and employment structures of our country," the pamphlet said, urging "sufficient prudence" in the introduction of foreign labor.

The booklet appeared "in consideration of the fact that operators of smaller-scale firms are anxious about how the revised law will be applied in detail," the agency said, adding that a ruling Liberal Democratic Party research panel had suggested it should be published.

The government book defines "illegal labor" as labor activities by foreigners without proper working status granted by immigration authorities who illegally enter Japan or illegally overstay their permitted period. It also defines it as work even by foreigners with proper immigration status if they engage, without permission, in labor that exceeds the limits of activities their status stipulates.

The new Immigration Law takes effect on Friday with new penalties against convicted employers or brokers of illegal foreign laborers of up to three years' imprisonment or a maximum 2 million yen in fines. The revision increased from 18 to 28 the immigration categories for what the officials consider "skilled" workers, such as English-language teachers, engineers, business representatives, and cooks.

On undocumented illegal worker employment, the law exempts from the new penalties those business operators using such foreign workers if they entered Japan before Friday, June 1.

Immigration officials said, however, that many thousands of undocumented workers have gathered in panic at Tokyo and other regional immigration offices over the past few months seeking by themselves to be deported for fear of being arrested under the new law. Most of them have misunderstood and seem to think that they will be jailed or fined in June.

The immigration authorities said they have not prepared any explanation of changes in the law in foreign languages to enable the workers themselves to understand them. Human rights groups and academics have also criticized the ministry for not including a word on "immunity stipulations" in its pamphlets.

Thursday's 60-page booklet touched on the immunity clause, but a human rights activist aiding foreigners in Tokyo said it was "too late, only one day before June 1."

The booklet also explains the status of a "trainee" and the meaning of "transfer within companies" for foreigners allowed to enter Japan, as well as giving advice on "how to employ" Brazilians of Japanese descent and other children or grandchildren of Japanese immigrants abroad, who have generous immigration privileges compared with non-Japanese foreigners.

The government material also detailed that foreign students are allowed to do side jobs for up to four hours a day in principle, but said more hours might be permitted if they apply to an immigration office.

Mongolia

Outcome of Leaders' USSR Visit Hailed

OW3105095690 Ulaanbaatar International Service in English 0910 GMT 31 May 90

[Text] Commenting on the recent visit of Mongolian leaders to Moscow, the central organ of the Mongolian People's Revolutionary Party, UNEN, characterizes it as a qualitatively new stage in the development of friendship and cooperation with the neighboring country. The main political significance of this visit is that during the visit Mongolian and Soviet leaders discussed and settled problems of all-round development of traditional friendship, raising of the businesslike nature of state and party relations in the present new conditions, and raising to a new level of direct ties between different organizations of the two countries. Agreements reached during the visit will promote the consolidation of bilateral friendship and cooperation between the two countries, parties, and deepening the democratic changes in the two countries as well as will have a great significance for accelerating the rate of development and progress of Mongolia, notes the paper.

Anniversary of Mongol-Chinese Friendship Marked

Leaders Exchange Greetings

OW3105093990 Ulaanbaatar International Service in English 0910 GMT 31 May 90

[Text] Chairman of the Presidium of the Mongolian People's Great Hural Punsalmaagiyn Ochirbat and Chairman of the People's Republic of China Yang Shangkun have exchanged congratulatory telegrams on the occasion of the 30th anniversary of the signing of the treaty of friendship and mutual assistance between Mongolia and China. The spirit of the treaty today determines the content and direction of ever-expanding relations between the two countries, says the message of the Mongolian leader.

Ochirbat has voiced his confidence that the friendly ties and cooperation of the two countries will further broaden and expand in accordance with the spirit of the 1960 treaty and in the vital interests of the two peoples and Asian and all-round peace and security.

Scientific Conference Held

OW3005085090 Ulaanbaatar International Service in English 0910 GMT 29 May 90

[Text] A scientific conference devoted to the 30th anniversary of the signing of an agreement on friendship and mutual assistance between the Mongolian People's Republic and the People's Republic of China has been held in Ulaanbaatar. There was highly estimated the historic significance of this historical document, the outcome of the recent official and friendly visit to the People's Republic of China of the state leader of Mongolia, Punsalmaagiyn Ochirbat. The countries, with the satisfaction, noted the normalization of Mongol-Sino relations as a result of active initiatives and efforts of the both sides.

Friendship Groups Hold Cocktail

OW3105075690 Ulaanbaatar International Service in English 0910 GMT 30 May 90

[Text] These days mark the 30 years of the signing of the treaty of friendship and mutual assistance between Mongolia and China. The Mongolian People's Friendship Organization and the Mongol-Chinese Friendship Society held a cocktail on this occasion where it was noted that the treaty laid the foundation of the development of friendship and cooperation between the two peoples.

The ongoing days of Chinese films in Ulaanbaatar is also devoted to the event. During the days, Mongolian audience will see four feature films by Chinese cinematographers.

P. Ochirbat Greets Iliescu on Election

OW3105080090 Ulaanbaatar International Service in English 0910 GMT 30 May 90

[Text] Chairman of the Mongolian People's Great Hural Punsalmaagiyn Ochirbat has greeted President of Romania Ion Iliescu on his election to this post. The Mongolian state leader in his message of greetings expresses the confidence that the traditional friendly relations and cooperation between Mongolia and Romania will further expand in the interests of the two countries.

Finance Minister Discusses Market Economy

OW2705113090 Ulaanbaatar International Service in English 0910 GMT 26 May 90

[Text] Finance minister of Mongolia held a press conference and said that a transition to a market economy in Mongolia will be carried out within two and three years in unison with the implementation of the government economic program. According to him the realization of the new government program will require at least 3.5 billion tugrik, 60 percent of which are to be found at the expenses of the state budget and the remaining 40 percent of funds of enterprises and branches. In this connection, the minister pointed to the need of introducing next year a united tax system that would promote financial and economic independence of enterprises and social justice in the country.

Official Interviewed on Unemployment Situation

OW2705125790 Ulaanbaatar International Service in English 0910 GMT 23 May 90

[Interview with Nyamdzagt, deputy chief of the State Committee for Socioeconomic Development of Mongolia, by station reporter; place and date not given—recorded, italicized portions in Mongolian followed by English summarization]

[Text] [Reporter] The question of labor resource is one of the complicated problems confronting Mongolian economy. Statistics say that today there are 27,000 jobless people in this country. Parallel with this, more than 6,000 people have been made redundant during the recent staff reduction at ministerial organizations. Mr. Nyamdzagt what is your comment on this matter?

[Nyamdzagt] *According to official statistics, today there are 27,000 jobless people in this country. This figure would be doubled if we include the number of seasonal workers. This is a real acute problem which we have never confronted before, says Mr. Nyamdzagt.*

Concerning the basic reasons of unemployment problem, he says, that unemployment was artificially created first of all by wrong distribution of work force and work places. For instance, western Mongolian provinces suffer from [words indistinct] extra herdsmen while eastern provinces have an acute shortage of them. The second reason behind unemployment, Mr. Nyamdzagt says, and a great gap between living standards in the urban and rural areas. The third and the last reason behind the increase in the number of jobless people is incorrect location of an extremely bad working conditions at some industrial enterprises, says Mr. Nyamdzagt. [previous two sentences as heard]

[Reporter] Asked about the ways of getting out of this unemployment problem, Mr. Nyamdzagt says the following:

I think that the first practical move toward settling the unemployment problem should be an all-round promotion of our cooperative movement, says Mr. Nyamdzagt. Next move in this regard should be the development of small and medium size industrial enterprises. Thirdly, practical measures should be taken to improve working conditions in rural areas. And fourthly, the creation of new service branches would be another mean to have a considerable part of jobless people to be employed, says Mr. Nyamdzagt.

[Reporter] In addition to what Mr. Nyamdzagt has told us, I would like to say that the situation emrged in our country is completely different from classical unemployment created by shortage of work places. Unemployment was artificially developed in this country because of the bad organization and outdated methods of labor.

Youth Union To Participate in July Elections

OW2705110590 Ulaanbaatar International Service in English 0910 GMT 26 May 90

[Text] The Mongolian Revolutionary Youth Union will take part in the forthcoming July 29th elections to the People's Great Hural in alliance with the Mongolian People's Revolutionary Party. Mongolian youth leader Gombold has told the daily UNEN correspondent that from the viewpoint of the final aims and ideological outlet [as heard], the Mongolian Revolutionary Youth Union holds the same position with the ruling Mongolian People's Revolutionary Party. As an independent component part of the country's political system, the Mongolian Revolutionary Youth Union will be guided by its own program and cooperate with the Mongolian People's Revolutionary Party on the principles of equality, mutual respect, and support.

Speaking about interrelations with the new parties and political forces Mr. Gombold said that his organization respects the status of independent formation [as heard] and is ready to cooperte with them.

Army Party Organizations To Meet in June

OW2505225590 Ulaanbaatar MONTSAME in Russian 1811 GMT 23 May 90

[From the 23 May Press Review]

[Text] Ulaanbaatar, 23 May (MONTSAME)—The Army newspaper ULAAN OD reported on the decision of the

Bureau of the Mongolian People's Army Political Administration to change the date of accountability and election meetings of primary party organizations in the Army to the first half of June this year and the 31st conference of the Army party organization to the second half of June.

North Korea

'Espionage' by U.S. Okinawa-Based Plane Claimed

SK3105062690 Pyongyang KCNA in English 0514 GMT 31 May 90

[Text] Pyongyang May 31 (KCNA)—The U.S. imperialists brought an Okinawa-based early warning plane "E-3" to South Korea, which committed an electronic reconnaissance on the depth of the Northern half of Korea while flying from the east to the west along the Military Demarcation Line (MDL) from around 14:05 to 16:58 May 29, according to military sources.

Such aerial reconnaissance had numbered 6 cases by the 29th of May.

In another development, they let a "U-2" high-altitude strategic reconnaissance plane fly above the MDL between 08:10 and 12:10 on the same day to make an intensive aerial espionage on targets in areas 240 kilometres inside the Northern half of Korea in a shuttle flight from the West Sea to the East Sea. They numbered 27 cases in the same period.9

They also put in motion several "RC-12" and other reconnaissance planes of various types every day, letting them fly for long hours from the east to the west along the the MDL for the purpose of aerial espionage on targets in the frontline area of our side.

Thus, their aerial espionage acts by various types of reconnaissance planes in May had numbered 180 by the 29th.

This well shows that although they are loudmouthed about "the relaxation of the tension" on the Korean peninsula they, in actuality, are hell bent on preparations for a war against the North.

Chongnyon Congratulates Kim Il-song on Reelection

SK2705102990 Pyongyang KCNA in English 1007 GMT 27 May 90

[Text] Pyongyang May 27 (KCNA)—The Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) sent a message to the great leader Marshal Kim Il-song, congratulating him on his reelection as president of the Democratic People's Republic of Korea at the First Session of the Ninth Supreme People's Assembly.

The message says the invariable reelection of respected Marshal Kim Il-song as president of the Republic is a manifestation of the firm conviction that infinite glory and victory of our country and people lies in holding the great leader in high esteem and of the unanimous wish of the entire Korean people at home and abroad to enjoy eternal happiness and prosperity of our nation under the outstanding leadership of the fatherly leader.

It goes on:

You the great leader had led the bloody anti-Japanese revolution in the van and accomplished the historical cause of national liberation, founded the Democratic People's Republic of Korea, a genuine people's sovereign power, in the liberated homeland, beat back the U.S. imperialists' armed invasion and defended the dignity and honour of the homeland and made the name of heroic Korea known all over the world.

You have wisely led the revolution and construction in our own way, in the Korean way by applying the chuche idea to all domains of state activities and thus turned our country into a brilliant socialist power, independent, self- supporting and self-reliant in defence, into the land of chuche where the leader, the party and the masses are united singleheartedly and all the people enjoy an independent and creative life to their heart's content as masters of state and society.

Today our homeland, under the outstanding, seasoned leadership of you the great leader, is building an ideal society of mankind ahead of any other countries in the world, not wavering even in face of all reactionary offensives of the imperialists and are displaying its might to the whole world as an indestructible fort for the accomplishment of the cause of independent national reunification greatly inspiring the South Korean people, as a fort for global independence, the message states.

Pointing out that the great leader gave the Koreans in Japan the joy of national rebirth, the dignity and honour of being citizens overseas of an independent and sovereign state, and has taken utmost care of them to the effect that they were granted benevolent benefits by the socialist motherland, the message continues:

We will always share the same destiny with the socialist homeland of chuche which was established and is being led by you the great leader and is being glorified by the dear leader Comrade Kim Chong-il and firmly defend the priceless motherland and devote all our patriotic zeal to its development and prosperity.

We will further strengthen Chongnyon into a chuche-type organization of citizens overseas, firmly defend all the democratic national rights of Koreans in Japan and make a greater contribution to the national cause of adding brilliance to the 1990s as a decade of national reunification.

The message sincerely wishes the respected leader Marshal Kim Il-song good health and long life.

Chongnyon Groups Arrive for Visit 30 May

SK3005105090 Pyongyang KCNA in English 1037 GMT 30 May 90

[Text] Pyongyang May 30 (KCNA)—A delegation of functionaries of the General Association of Korean Residents in Japan (Chongnyon) led by vice-director of a department of its Central Standing Committee Kim Won-hwan, a delegation of men of science and technology of Chongnyon, the 139th short-term home-visiting group of Koreans in Japan and home-visiting groups of Korean students in Japan arrived in Wonsan by the ship "Samjiyon" today to visit the socialist homeland.

Iranian Parliamentary Friendship Delegates Visit

Kim Il-song Meets Delegation

SK2505235090 Pyongyang KCNA in English 1718 GMT 25 May 90

[Text] Pyongyang May 25 (KCNA)—The great leader President Kim Il-song today received the visiting Iranian parliamentary friendship delegation led by Kheirkhah-Gildeh Kamel, member of parliament and head of the Islamic Guidance and Cultural Commission of the Consultative Assembly.

Present on the occasion were Vice-Premier Kim Tal-hyon, vice-minister of foreign affairs Cha Pong-chu and Iranian Ambassador E.P. to Korea Hasan Dabir.

The guests presented a basket of flowers to Comrade Kim Il-song in congratulation of his reelection as president of the Democratic People's Republic of Korea and wished him good health and long life.

President Kim Il-song expressed thanks for this and had a talk with them in a cordial and friendly atmosphere.

The guests presented him with a gift.

Kim Chong-il Receives Gift

SK2505234890 Pyongyang KCNA in English 1720 GMT 25 May 90

[Text] Pyongyang May 25 (KCNA)—The dear leader Comrade Kim Chong-il received a gift from the visiting Iranian parliamentary friendship delegation.

The gift was handed to an official concerned by head of the delegation Kamel Kheirkhah-Gildeh Kamel, member of parliament and head of the Islamic Guidance and Cultural Commission of the Consultative Assembly.

Delegation Concludes Visit

SK2605104690 Pyongyang KCNA in English 1032 GMT 26 May 90

[Text] Pyongyang May 26 (KCNA)—The parliamentary friendship delegation of the Islamic Republic of Iran headed by Kheirkhah-Ghiel Kamel, member of parliament and head of the Islamic Guidance and Cultural Commission of the Consultative Assembly, left here for home today, after concluding its eight-day visit to Korea.

During its stay in Korea, talks were held between the delegation of the Supreme People's Assembly of Korea and the Iranian parliamentary friendship delegation.

The delegation visited Mangyongdae and went round the tower of the chuche idea, the West Sea barrage and educational and cultural facilities.

Visiting the Grand People's Study House, the head of the delegation said that a glance at the well-furnished house of world level is enough to clearly understand that all the policies in Korea are truly popular ones for the well-being of the people.

When he went to the West Sea barrage, he stressed that the barrage is a great edifice of the heroic Korean people. And he expressed his belief that big success would be registered in the endeavours of the Korean people to increase the might of the country.

Cuban Delegation, Bulgarian Ambassador Arrive

SK2605094490 Pyongyang KCNA in English 0716 GMT 26 May 90

[Text] Pyongyang May 26 (KCNA)—A delegation of the Cuban Association for Friendship Among the Peoples headed by its Chairman Rene Rodriguez Cruz, member of the Central Committee of the Communist Party of Cuba, and newly-appointed Bulgarian Ambassador to Korea Georgi Stoyanov arrived here Friday by plane.

Cuban Visitor Speaks at Rally

SK2905054490 Pyongyang KCNA in English 0513 GMT 29 May 90

[Text] Pyongyang May 29 (KCNA)—The Korean people will further consolidate the traditional relations of friendship between Korea and Cuba and fight it out for the victory of the socialist cause, firmly joining hands with the fraternal Cuban people, without the slightest vacillation in whatever storm and test, declared Chong Chun-ki, chairman of the Korean Committee for Cultural Relations with Foreign Countries.

Speaking at a rally held here Monday to welcome the Korean visit of a delegation of the Cuban Association for Friendship Among the People, Chong Chun-ki said that the Korean people who regard the revolutionary cause of the Cuban people as their own extend full support and militant solidarity to the Cuban people who are waging a resolute struggle for the sovereignty of the country, territorial integrity and peace and security in Central America and the Caribbean region under the banner of socialism.

Denouncing the U.S. imperialists' desperate attempt to stifle the Cuban revolution, he said that with no manoeuvres can they frighten the revolutionary Cuban people.

He noted that today the Cuban people are valiantly struggling against the anti-Cuba moves of the U.S. imperialists with firm resolution to defend socialism with their own lives under the slogan "socialism or death".

Head of the delegation Rene Rodriguez Cruz, member of the Central Committee of the Communist Party of Cuba and chairman of the Cuban Association for Friendship Among the People, spoke next.

He stressed that the reelection of the great leader of the Korean people Comrade Kim Il-song as president of the DPRK [SPA] at the first session of the Ninth Supreme People's Assembly is a great joy for the Cuban party and people and a reaffirmation of the socialist line in Korea and shows that the immortal socialist banner of the great Korean people is continuously flying on the road of the victorious advance.

He said that today the U.S. imperialists have become more malicious than ever before in their high-handed aggressive moves against Cuba and Korea.

The Cuban revolution, he stated, always supports and encourages invariably the Korean people in their struggle to achieve the independent and peaceful reunification of the country.

We believe that the five-point policy for national reunification which was advanced by the great leader Comrade Kim Il-song in his policy speech to the first session of the Ninth SPA of the Democratic People's Republic of Korea will arouse great international repercussions worldwide and Korea will surely be reunified according to this policy, he stressed.

Delegation of Cuban Workers Arrives in Pyongyang

SK2805103090 Pyongyang KCNA in English
1020 GMT 28 May 90

[Text] Pyongyang May 28 (KCNA)—A delegation of the Centre of the Cuban Workers headed by Pedro Ross Leal, alternate member of the Political Bureau of the Central Committee of the Communist Party of Cuba and general secretary of the Centre of the Cuban Workers, today arrived in Pyongyang.

It was met at the airport by Won Tong-ku, chairman of the Central Committee of the General Federation of Trade Unions [GFTU] of Korea and Juan Jose Leon Vega, Cuban ambassador to Korea.

The GFTU Central Committee held a reception this evening for the delegation.

IIJI Director, Delegation Arrive for Visit

Kim Il-song Receives Visitor

SK2605112190 Pyongyang KCNA in English
1036 GMT 26 May 90

[Text] Pyongyang May 26 (KCNA)—The great leader Comrade Kim Il-song today received Alban Chavez, director of the board of the International Institute of the Chuche Idea (IIJI), member of the parliament of Ecuador and vice-president of Guayaquil University of Ecuador, and his entourage on a visit to Korea.

Present on the occasion were Hwang Chang-yop and officials concerned.

The guests presented a floral basket to Comrade Kim Il-song in congratulation of his reelection as president of the Democratic People's Republic of Korea and wished him good health and long life.

They also presented him with a gift and the diploma, uniform and badge of honorary doctorate awarded by Guayaquil University in celebration of his birthday, and recited "Poem dedicated to the great President Kim Il-song" written by them during their stay in Korea.

Comrade Kim Il-song expressed thanks for this and had a cordial and friendly talk with the guests.

He arranged a luncheon for the guests.

Kim Chong-il Receives Gift

SK2605114490 Pyongyang KCNA in English
1105 GMT 26 May 90

[Text] Pyongyang May 26 (KCNA)—The dear leader Comrade Kim Chong-il was presented with a gift by the director of the Board of the International Institute of the Chuche Idea and his entourage on a visit to Korea.

The gift was handed to an official concerned by Alban Chavez, director of the board of the International Institute of the Chuche Idea and member of the parliament of Ecuador and vice-president of Guayaquil University of Ecuador.

Director's Comments on SPA

SK2605073090 Pyongyang KCNA in English
0717 GMT 26 May 90

[Text] Pyongyang May 26 (KCNA)—Alba Chaves, Ecuadorian parliamentarian and director of the Board of the International Institute of the Chuche Idea, after participating in the first session of the Ninth Supreme People's Assembly of the DPRK on May 24 said:

Attending the first session of the Ninth Supreme People's Assembly as a guest, I deeply felt the entire deputies' unquestioned trust in and respect for the respected leader Comrade Kim Il-song and was moved once again by his great personality as a people's leader.

The Korean people who reelected the great Comrade Kim Il-song president of the Republic is the most proud and happiest people in the world.

The great leader Comrade Kim Il-song's policy speech "Let Us Bring the Advantages of Socialism in our Country Into Full Play" is a historical work of weighty significance in accomplishing the cause of the Korean revolution and the world revolution.

His policy speech is a highly important guideline clearly indicating the direction and ways of giving fullest play to the advantages of socialism which embodies the chuche idea and realizing the independent and peaceful reunification of Korea.

The policy speech is an inspiring banner to the peoples of revolutionary countries in the world as it brings home to people the advantages of socialist system and indicates on a scientific basis the way of defending socialism and winning its victory.

Railways Conference Delegations Arrive

SK2905113590 Pyongyang KCNA in English
1114 GMT 29 May 90

[Text] Pyongyang May 29 (KCNA)—Railways delegations of China and Cuba arrived here today to attend the 18th ministerial conference of the Organisation of Railways Cooperation [ORC].

Earlier, a delegation of the committee of the ORC led by its chairman Ryszard Stawrowski and railways delegations of Viet Nam and Poland arrived here.

Article on End of Colonialism in Africa Cited

SK2605102990 Pyongyang KCNA in English
1016 GMT 26 May 90

[Text] Pyongyang May 26 (KCNA)—NODONG SINMUN today dedicates an article to "Day of Liberation of Africa" (May 25).

Recalling that Namibia, the last colony in Africa, achieved independence in March, the author of the article says:
A great change has been made in Africa in the past 27 years. The chains of colonialism which once bound the continent were broken.

Today the African people are making energetic efforts to consolidate the already won independence, liquidate all the legacies of the colonial rule and build a new society. Particularly noteworthy are their efforts to build the national economy. The Organization of African Unity is playing a big role in this.

The Korean people have always fully supported and encouraged the people of this continent in the struggle for the complete liberation of Africa. They set store by friendly and cooperative relations with the African people.

The Africans' struggle for the complete liberation of Africa and for a prosperous, new Africa will certainly bear good results.

Hanminjon Criticizes No Tae-u's Japan Trip

SK3005111990 Pyongyang KCNA in English
1039 GMT 30 May 90

["No Tae-u Must Apologize to the Whole People For His Criminal Japan Trip and Immediately Resign"—KCNA headline]

[Text] Pyongyang May 30 (KCNA)—The spokesman for the "South Korean National Democratic Front" (Hanminjon) on May 27 made public a statement denouncing the traitor No Tae-u's Japan trip.

Branding his shameful Japan trip as a trip of flunkeyist treachery to prolong the dirty remaining days of the colonial stooge and to create "two Koreas", Hanminjon joined the entire people in sharply denouncing it.

Follows a summary of the statement:

Praising his own Japan trip, the traitor No Tae-u is loudly advertising its "success." This, however, is nothing but a sophism to cover up his treacherous crime.

He only refurbished his public image at the expense of the noble self-respect of the nation, while failing to resolve definitely any issues of the legal status of the Koreans in Japan, compensation for the atom bomb victims, and so on, to say nothing of a clear apology of the Japanese emperor for the past history.

To evade the death sentence passed on him by the people of all strata with flunkeyist treachery toward Japan the traitor No made the humiliating Japan trip and declared "an end to the past," blurting on the "diet" rostrum that "We reflect on the error of ourselves in having failed to defend the country", something which his predecessors dared not do.

The Korean people sternly denounce the humiliating flunkeyist and treacherous remarks of No Tae-u as a despicable act of a traitor insulting the nation and making a mockery of the people and declare it ineffective.

And it must not be overlooked that No's Japan trip was an anti-reunification trip aimed at creating "two Koreas".

Traitor No begged for "security of Northeast Asia" and "cooperation between South Korea and Japan" at the so called "summit talks" with Kaifu and an other occasions. This revealed his ulterior intention to induce Japan to become a detached force in executing his "Northern policy" for a permanent division of the country, while seeking to round off the structure of the U.S.-Japan-South Korea tripartite military alliance with the subordinate political, economic and military tieup with Japan under the cloak of "peace" and "security".

Truth to tell, traitor No fully revealed his color as a splittist during his Japan trip.

This was well illustrated by his balderdash about the "opening of the North" and "simultaneous entry into U.N."

As for the place which must be opened, it is not the North but the South where free discourse on reunification by people of all strata is banned by the "National Security Law," an anti-reunification evil law, and there lies the 240-km long concrete wall blocking free travel and complete opening between the North and the South.

It is self-evident what consequences will be entailed if the North and the South enter the U.N. separately with two seats, not with one seat, with the concrete wall, the symbol of North-South confrontation and division left intact.

Moreover, traitor No did not hesitate to declare that "unilateral reduction of the U.S. forces" is impossible".

No's open opposition even to the phased withdrawal of the U.S. forces from South Korea under the pretext of fictitious "military buildup of the North" is a sophism intended to keep South Korea as a permanent U.S. colony and military base. This is a malicious challenge to the Korean people's desire for independence.

Traitor No Tae-u must apologize to the entire people for his criminal Japan trip and immediately step down.

Japan must kneel down and apologize to our nation for her crimes of the past days and discard her wild design of reinvasion.

Yim's Sentence in South Termed 'Unpardonable'

*SK3105065490 Pyongyang KCNA in English
0518 GMT 31 May 90*

[Text] Pyongyang May 31 (KCNA)—NODONG SINMUN today denounces the No Tae-u fascist group for having demanded 15 years of imprisonment for coed Yim Su-kyong. This is branded by the paper as another unpardonable anti-national, anti- reunification criminal act against the nation's desire for reunification.

The news analyst says:

The fascist group is by no means justified in incriminating and trying Yim Su-kyong who made righteous activities for the reunification of the country.

It is a general principle of law in court that no heavier penalty than the finding of the court of the first instance can be imposed at the trial on an appeal. The fascist group, ignoring this principle, demanded 15 years of imprisonment for Yim Su-kyong who had been sentenced to ten years in the first trial. By this, they revealed once again of their own accord that they are fascist fanatics who are ignorant of law and politics, bereft of national conscience and mercy and indifferent to the reunification of the country.

This fascist outrage is part of the desperate efforts of the dictatorial regime of the "Democratic Liberal Party" driven to the wall by the people's protests against the treacherous three-party merger. It shows that their talk about "democracy" and "reunification" is a sheer lie.

It is also an open anti-reunification declaration that they would turn down Yim Su-kyong's appeal and mercilessly punish anyone who calls for reunification, and a kind of threat and blackmail to the pro-reunification and pro-democracy forces.

With no fascist outrage can they break the "flower of reunification" or put down the people's desire for reunification.

They must stop the fascist trial and unconditionally release the arrested envoys of reunification including Yim Su-kyong and Father Mun Kyu-hyon.

Chondoist Committee Head on Reunification Policy

*SK3105054490 Pyongyang KCNA in English
0458 GMT 31 May 90*

[Text] Pyongyang May 31 (KCNA)—Chong Sin-hyok, chairman of the Central Committee of the Chondoist Chongu Party, released a statement on May 30 in full support of the five-point policy for national reunification put forward by the great leader President Kim Il-song in his historical policy speech.

Noting that this policy is a most realistic and fair reunification programme which makes it possible to remove the obstacles lying in the way of reunification, pool the wisdom and will of the entire Korean nation and reunify the country independently in a peaceful way at an earlier date, he said:

With the military confrontation between the North and the South continuing and the danger of war hovering over this land, it is impossible to create an atmosphere of trust between the North and the South and, even if there is contact and dialogue, a good fruition cannot be expected.

If the United States and the South Korean authorities truly want peace in Korea and her peaceful reunification, they must show an immediate response to the just initiative of ours to adopt a non-aggression declaration between the North and the South, conclude a peace agreement between the DPRK and the U.S., drastically cut the armed forces in the North and the South and get nuclear arms and the U.S. troops withdrawn from South Korea.

The demand that the United States should at least take a step to withdraw its troops from South Korea stage by stage, if it cannot do so at a time is one more clear expression of the sincere stand of the government of the Republic for the guarantee of peace on the Korean peninsula.

He expressed the hope that all the Chondoists in South Korea will carry forward the patriotic spirit of the elderly fellow believers and actively come out to the struggle for the realisation of the new five-point policy for national reunification, the great programme for national reunification common to the nation, together with the people from all walks of life aspiring after independent and peaceful reunification.

Editorial Lauds Reelection of Kim Il-song

SK3005001490 Pyongyang Domestic Service in Korean 0000 GMT 26 May 90

[NODONG SINMUN 26 May editorial: "Our Socialist Cause Is Invincible"]

[Text] In the First Session of the Ninth Supreme People's Assembly [SPA], which is bound to record a brilliant chapter in the history of our Republic, the respected and beloved Comrade Kim Il-song, the great leader of our party and people, has once again been elected with highest esteem president of the DPRK.

This is an expression of our people's absolute support for and trust in the respected and beloved leader Comrade Kim Il-song, as well as a powerful demonstration of the invincibility of our Republic and our revolutionary cause which are vigorously advancing under the leadership of the great leader.

After hearing the news of the historic First Session of the Ninth SPA, all the people across the country are now filled with boundless emotion and joy, renewing their firm determination to hold in high esteem the great leader Comrade Kim Il-song indefinitely and to more tenaciously struggle under the leadership of the party.

The invariable election of the respected and beloved leader Comrade Kim Il-song as the president of the Republic is a great felicitous national event in the struggle for the strengthening and developing our Republic and for the victory of our socialist cause.

With the reelection of the great leader Comrade Kim Il-song as the president of the Republic at a solemn period when our people, who have long continued an arduous struggle for the victory of the chuche revolutionary cause, have entered in their new rewarding march of the nineties, our Republic's pride and dignity are bound to become more shining and a boundlessly expansive future is to unfurl before the socialist construction.

The Republic's government, which advances the upholding of respected and beloved leader Comrade Kim Il-song as the president of the state, will brilliantly fulfill its honorable mission to achieve national reunification and imbue society with the chuche idea while adhering to the principle of independence, self-reliance, and self-defense and will fully demonstrate its might on that road as the invincible revolutionary government.

The invariable reelection of the respected and beloved leader Comrade Kim Il-song as the president of the DPRK, our glorious socialist fatherland, is an expression of the rock-hard faith of our people, who are resolved to fully entrust their fate to the great leader and uphold his leadership with loyalty indefinitely.

Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the Party Central Committee, has noted: The revolutionary faith of the Korean communists and people who are loyally upholding the respected and beloved leader Comrade Kim Il- song is unwaveringly firm, eternal, and immutable.

The Korean revolution is a revolution that is inherited by wonderful people who uphold their leader from generation to generation, and our Republic is a nation of single-minded unity and a powerful and dignified country where all the people are advancing by uniting firmly around the party and leader as one. Since the revolution began, our people have tenaciously struggled with firm trust only in the respected and beloved leader Comrade Kim Il-song, their hearts filled with conviction and optimism.

It is tradition, pride, and the highest and unmatched national honor and glory of Korea that the people have invariably upheld from generation to generation the respected and beloved leader at the zenith of the party, the revolutionary ranks, the state, and the revolutionary Armed Forces, regardless of whether the situation was difficult or propitious and irrespective of any period or under any circumstances of the revolution and construction, with a rock-hard conviction that only when they uphold the great leader Comrade Kim Il-song can they make their country prosperous and win the victory of the socialist cause.

The revolutionary faith of our people, who are determined to carry out the revolution under the leadership of the leader with their fate entrusted to the great leader Comrade Kim Il-song, is becoming firmer with the passage of time. It has now become the basic spirit of our people which will remain constant, even in the generations to come, as well as the mettle of all people which firmly prevails in society.

The invariable election of the respected and beloved leader Comrade Kim Il-song as the president of the Republic in the historic First Session of the Ninth SPA has clearly demonstrated how warm and wholehearted our people's respect for and trust in the great leader , which grows with the passage of time, is and how firmly the center of unity and leadership in our country is guaranteed with revolutionary advancement.

Without wavering a bit, we will carry out the revolution to the end with a firm belief in the party and leader, and we will keep glorifying the wonderful tradition and honor of being a revolutionary people who uphold their own leader [suryong], that is to say their leader [yongdoja], out of their revolutionary faith and a sense of obligation, no matter what kind of wind we may encounter, from generation to generation.

The election of the respected and beloved leader Comrade Kim Il-song as the president of the Republic in the just-concluded SPA session is an accolade of all the people for the greatness of the respected and beloved leader Comrade Kim Il-song, who enjoys absolute support and trust from all the people after having performed immortal feats before the fatherland and people.

Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the Party Central Committee, has noted: The respected and beloved Comrade Kim Il-song is a great thinker and theoretician who has founded the immortal chuche idea, as well as a great politician who is wisely leading our people on the untrodden path leading to socialism and communism under the difficult and complicated circumstances in which we stand face to face with U.S. imperialism.

Our people's absolute respect for and admiration of the respected and beloved leader Comrade Kim Il-song, whom they want to trust and follow indefinitely, are the warmest and most wholehearted, and our people have come to cherish them deep in their hearts in the course of going through the grave revolutionary storm under the leadership of the great leader.

The history of the revolutionary activities of the respected and beloved leader, who has continued his struggle for the fatherland, the revolution, the working class, and people, overcoming all manner of adversity and difficulties, spans nearly seven decades.

It is only the respected and beloved leader Comrade Kim Il-song who, embarking upon the revolutionary path in his teens, has led the grave revolution of our era to victory for such a long period of time, from the twenties until today, the nineties, as the leader shouldering the fate of his people and his country while enjoying the people's absolute support and trust.

In the course of creating the unprecedentedly great leader's history of the most glorious revolutionary struggle, the respected and beloved leader Comrade Kim Il-song has overcome on his own all manner of difficulties and tribulations that the revolutionary can encounter, and in the process has performed immortal feats before the times, the revolution, the fatherland, and the people.

It is impossible to cite all of the accomplishments the respected and beloved leader has achieved to date, including his founding of the immortal chuche idea that has provided the people with weapons for class liberation, national liberation, and mankind's liberation; his founding of the invincible and ever-victorious party, the revolutionary government, and the revolutionary Armed Forces; his conversion of society into a society of single-minded unity in which one and only one ideology firmly prevails; and his establishment of a superior, chuche-oriented socialist system in one corner of the East. Equally impossible to cite are the theories, methods, and experience he has created in the process.

Because of this, the respected and beloved leader Comrade Kim Il-song is highly respected and admired by the revolutionary people of our era as a great thinker, theoretician, and politician, and as the most experienced and well-known leader of the communist movement.

It is indeed the highest honor and dignity for our people to carry out the revolution upholding, even today, of the outstanding leader who has pioneered the revolutionary cause of our era and opened a new era of building a chuche-oriented party and a revolutionary government under the banner of independence, of the great leader [yongdoja], who has adorned the long and grave course of the revolutionary struggle that spans several decades with shining victories at the head of the Republic. Herein lies the source of the invincibility of our fatherland, our people, and our socialist cause.

The respected and beloved leader Comrade Kim Il-song is an outstanding thinker and theoretician who has founded the immortal chuche idea, the idea that occupies the highest and most shining place in the history of mankind's ideology and brilliantly illuminates the path of independence for the people.

The leader of the working class is the ideological and theoretical brain that provides the working popular masses with the revolutionary ideology, tactics, and strategy. The greatness of the leader lies in providing the popular masses with a correct revolutionary ideology capable of illuminating the path for the revolution and construction.

The course of the respected and beloved leader Comrade Kim Il-song's revolutionary activity is the history of a great thinker and theoretician who has founded a genuinely revolutionary ideology of our era and has developed and enriched it endlessly.

Penetrating the demands of the times, the aspiration of the popular masses, and the inevitable course of historic development, the respected and beloved leader Comrade Kim Il-song founded the chuche idea, the new revolutionary ideology, in the initial stage of his revolutionary path.

This was a historic event which opened a new era in the development of the revolutionary ideology of the working class. The chuche idea created by the respected and beloved leader Comrade Kim Il-song is the thoroughly revolutionary ideology which defines as the basic purpose of the revolution the defense and realization of independence and the life of the social human being, and which calls for the continuation of the revolution until independence has been completely realized. The truthfulness and correctness of the great chuche idea which scientifically elucidates the road of eternal happiness and prosperity of mankind have been proven through practice, and its driving force and vitality are being displayed more prominently with each passing day.

By struggling with the great chuche idea as the guiding principle, we not only have come to surmount the influence of all sorts of old ideologies—including flunkeyism and dogmatism—and highly display the national spirit of independence, but we have also been able to successfully carry out the struggle for independence, sovereignty, and socialist construction according to our own intent and with our own strength without the slightest degree of vicissitudes and inclination. The achievements of the respected and beloved leader Comrade Kim Il-song—who, by creating the immortal chuche idea and waging the energetic ideological and theoretical activities in order to develop and enrich the idea, has elucidated the most perfect revolutionary theory, strategy, and tactics, and leadership theory and method, and who thus has bestowed upon the popular masses a powerful and mighty ideological and theoretical weapon with which they can realize independence to the end—will be shine forever along with the victorious advance of the revolution.

The respected and beloved leader Comrade Kim Il-song is the great leader who has built in this land the most solid and superior socialist system of chuche—which has firm roots and boundless vitality—and who has thus provided our people with the dignified and rewarding new life of socialism. For our people, their greatest pride and value in life lie in extensively leading an independent and creative life in a genuine socialist society, and such a desire can be realized only when they uphold the great leader with high esteem.

All of the working people in our country today are living and struggling in the outstanding man-centered socialist system, the most superior socialist system of chuche for which mankind has long desired as their ideal and for which numerous revolutionaries have devoted their noble lives. Our socialism, which the respected and beloved leader Comrade Kim Il-song has devoted his whole life to building, is our completely unique style of socialism from the standpoint of its historic roots, guiding ideology, guiding theory, and guiding method; in terms of its people-oriented character in which the state cares for the people's lives in a responsible manner; and in terms of its social soundness and solidness in which single-hearted unity has been completely realized.

In our country, which the chuche idea has been brilliantly embodied by, all sorts of social factors which create exploitation, oppression, and the situation where the rich-get-richer and the poor-get-poorer were completely liquidated a long time ago, and all of the people are leading precious political lives; affluent material lives; and enriched ideological, mental, and cultural lives to their hearts content while helping and leading each other. A genuinly new socialistic life, a paradise of the people which is inconceivable in a capitalist society—where mammonism and corrupt bourgeois lifestyles prevail, where all sorts of social evils are rampant, and where numerous people who do not have anything to eat, nor houses to live in, nor places to work wander the streets—has been unfolded in this land. This is truly the noble result of the tested leadership of the great leader Comrade Kim Il-song.

Since the first day he embarked on the road of the revolution, the great leader Comrade Kim Il-song, firmly proceeding from the chuche-oriented stand that the masters of the Korean revolution are the Korean people themselves, has set forth all lines and policies in conformity with the specific situation of our country and with the aspirations and demands of our people and has brilliantly realized them through his energetic leadership. The line with regard to strengthening the power of the people and vigorously carrying out the three revolutions—ideological, technological, and cultural; the line with regard to thoroughly embodying the Chongsan-ri spirit, the Chongsan-ri method, and the Taean work system; the line with regard to firmly guaranteeing the party's leadership in the revolution and in construction; the line with regard to seeing to it that the working class and collectivism extensively prevails throughout the society; and all other lines that our people have consistently grasped and adhered to in building socialism are those lines which the great leader has set forth creatively.

Apart from the respected and beloved leader Comrade Kim Il-song's tested leadership, we cannot speak of the fact that our Republic has victoriously advanced along the straight road of socialist construction in the tempestuous trials of history which determine the destiny of the revolution, nor can we speak of the fact that our Republic has built the most solid, vital, and promising socialism under which a valuable life comes alive and revolutionary mettle surges.

So, our people have never thought of our most superior socialist system, the chuche fatherland, without associating it with the great leader, without proudly identifying the respected and beloved Comrade Kim Il-song with our fatherland.

The respected and beloved leader Comrade Kim Il-song is a great politician and a benevolent fatherly figure who has turned our society into a monochromatic society, a society of single-minded unity governed by a single ideology, and has raised all the people as ardent chuche-oriented communist revolutionaries by holding them in his bosom.

From the initial period of his embarking upon the revolutionary road, the respected and beloved leader Comrade Kim Il-song, regarding the strengthening of the driving force behind the revolution and the raising of its role as the crucial factor for national prosperity and the revolutionary victory, has continued his energetic activity to achieve the rock-hard unity of the revolutionary ranks.

It is thanks to the leadership of the great leader, who always shares life and death and weal and woe with the popular masses by staying among them, and who wisely leads them so as to make them consistently adhere to the revolutionary mass lines and thoroughly implement a viable socialism in which the popular masses' inexhaustible resourcefulness and creativity are given full play at the highest level, that a solid socialism of single-minded unity, in which the party trusts the people and the people absolutely trust and follow the party, has been founded in this land.

Arming themselves firmly with the great chuche idea and driven by a single ideology and goal, the entire party and all the people in the country are now vigorously marching toward the dazzling future of socialism and communism in firm unity.

Indeed, this mettle of the great revolutionary unity in our society is the most noble gain of our revolution impossible to trade it with anything and herein lies the source of the invincible might of our fatherland, our people, and our revolution.

In particular, by holding all the people in his bosom with his incalculably broad generosity, broad-mindedness, and warm humanitarianism, the respected and beloved leader Comrade Kim Il-song has opened in this land the great mettle of the grand national unity. It is thanks to the fact that we have carried out the revolution under the leadership of the great leader that we witnessed such astonishing events as the coming of many intellectuals and patriots into the bosom of the Republic across the line-of-death in the days that followed national liberation and the great national migration from capitalism to socialism.

In the process of guiding our revolution for a long time, the respected and beloved leader Comrade Kim Il-song has made great contributions to developing the international communist movement, the anti-imperialist cause, and the nonaligned movement and to hastening the cause of turning the whole world into one governed by independence.

The high prestige our party, the Republic, and our people command in the international community is also the high prestige commanded by the great leader Comrade Kim Il-song.

Indeed, the great leader Comrade Kim Il-song has produced immortal accomplishments illuminating the world through his profound ideological and theoretical activity, his colossal revolutionary practice, his inexhaustible devotion to the people, and his revolutionary passion.

The respected and beloved leader's revolutionary accomplishments that have laid down the durable cornerstone for the consummation of the revolutionary cause enable our party, the Republic, and the people to resolutely defend and safeguard the banner of socialism and the banner of the chuche idea under any adverse circumstances and to consummate the chuche revolutionary cause explored in the forest on top of Mt. Paektu with faith and optimism.

The respected and beloved leader Comrade Kim Il-song's great leadership mettle, replete with the uncommon resourcefulness and insight of penetrating the prevailing situation and the distant future; his unwavering will and revolutionary principle of firmly safeguarding the position of the working class under any situation; his unending devotion to socialism; and his warm love for people remain the same even today when the revolution and construction have reached a high stage as in the past.

With surging energy, the respected and beloved leader Comrade Kim Il-song is now at the vanguard of the overall work of the revolution and construction, including the work of party and government, economic work, the work of building the people's Armed Forces, and external work; and is inspiring our people to perform new feats of creating the speed of the nineties by visiting plants, rural communities, and every corner of the country without let-up.

It is in the great leader's energetic and tested leadership that our people now foresee with certainty the endlessly brilliant future of our fatherland, which will become more prosperous and enjoy bright prospects for the socialist cause.

Uniting firmly around the Republic's government, our people have victoriously blazed the long and treacherous path of struggle under the leadership of the party and the leader. Our revolutionary cause, however, has not been completed. We should carry on the revolution in order to achieve the independent reunification of the country, to give full play to the superiority of our country's socialist system, and consummate the cause of imbuing society with the chuche idea. We should also win even greater victory in socialist construction.

The fact that all party members and the working people uphold the great leader Comrade Kim Il-song in high esteem and are blessed with the leadership of the glorious party, and that they are vigorously struggling, taking the great chuche idea as the guiding principle and cherishing deep in their hearts their dignity and pride as the people who live and carry out the revolution under the most superior socialist system, is precisely the firm guarantee for the boundless grandeur and prosperity of our Republic and for a new victory in socialist construction.

Today, all party members and the working people not only deem it their utmost happiness and greatest honor to uphold in high esteem the great leader Comrade Kim Il-song—the genius of the revolution, the sun of the nation, and the legendary hero—as the head of the Republic, but also to cherish deep in their hearts the single heart of loyalty which will invariable exist under any circumstances. Following the noble model of the young communists, who at the dawn of the revolution upheld in high esteem the respected and beloved leader Comrade Kim Il-song as the center of unity and as the center of leadership with revolutionary faith and duty, and who sacrificed the heyday of their youth and their lives for the great leader, we should, as in the past, bear the leader's benevolence in our hearts wherever, whenever, and whatever they do, and should become indomitable revolutionary fighters of the nineties who resolutely safeguard and defend the party and the leader.

Our party is the invincible revolutionary party of chuche which has registered immortal achievements in carrying out the revolutionary cause of chuche, has won absolute confidence from the popular masses, has been firmly united in iron-like ranks, and which has a great deal of experience and tested leadership ability. All tasks of today for the grandeur and the prosperity of the fatherland and the nation and for the acceleration of socialist construction have been planned and implemented under the party's leadership.

The greatness of our nation is synonymous with the greatness of our party. We should have the lofty national dignity and honor of upholding the great party's leadership and should firmly defend the unity and cohesion of our revolutionary ranks rallied around the party center [tangchungang]. The great chuche idea and our most superior socialist system are the banner of the eternal prosperity of our Republic and the lot of our people's lives. Thanks to this great idea and blessed system, the dignity of our fatherland and nation has been glorified, and our people's stable new socialist life which does not know inclination and vicissitudes under any circumstances has been firmly guaranteed.

As the revolution advances and their happiness becomes greater, all party members and the working people should more deeply realize how precious and superior the guidance ideology that we have and the socialist system under which we live are and, at the same time, should display high-minded revolutionary spirit in defending and developing this guidance ideology and socialist system. We should fill our society only with things chuche-oriented and socialistic. We should not allow any trivial factors which run counter to this to set foot into our society.

Vigorously accelerating the general march of the nineties to effect a great new revolutionary upsurge in socialist construction is an important revolutionary assignment for us at the present time. All party members and the working people should more vigorously fan the flames of struggle for increased production and conservation by upholding the New Year's address of this year by the respected and beloved leader Comrade Kim Il-song and the decision of the 17th plenary session of the 6th party Central Committee and, thus, should brilliantly realize the intent and plan of the party and the leader to effect a new turn in socialist economic construction.

We should advance, consistently grasping the line of the three revolutions—ideological, technological, and cultural; and should more extensively enhance the superiority of our way of socialism in all fields of social life, including the political, economic, and cultural fields. By actively developing foreign relations under the noble ideal of independence, friendship, and peace, we should further solidify our Republic's international position and should strengthen solidarity with the people of all progressive countries of the world which defend independence and love peace.

The future road of our people, who are vigorously advancing along the path of socialism under the leadership of the glorious party while upholding the great leader Comrade Kim Il-song in high esteem as president of the Republic, is infinitely brilliant. Let all of us firmly rally around the party Central Committee headed by the respected and beloved leader Comrade Kim Il-song and vigorously advance forward for the eternal grandeur and prosperity of the Republic and for the consummation of the chuche cause.

May Coal Output 'Markedly' Increased

SK2605085490 Pyongyang KCNA in English 0655 GMT 26 May 90

[Text] Pyongyang May 26 (KCNA)—Coal mines in South Pyongan Province have turned out tens of thousands of more tons of coal in May than in the like period last year.

This province which holds a big share of the nation's coal production has markedly increased coal production this year as compared with last year.

The Tokchon, Sunchon, Kaechon and Anju district coal mining complexes and the coal mines under the Pukchang Thermal Power Complex had produced nearly 500,000 more tons of coal by mid-May as against the corresponding period of last year.

The North Hamgyong Provincial Mining Administration has fulfilled the daily mineral production quotas at 130 percent in the last ten odd days.

The general bureau of western railways these days is daily carrying 1,200 more tons of exports than in the previous month.

The Musan Mining Complex set itself the goal of dealing with ten million more tons of scraped earth than planned this year and is now topping the daily plan by more than 20 percent.

Iron Production Accelerated at Musan Complex

SK3005012690 Pyongyang KCNA in English 1458 GMT 29 May 90

[Text] Pyongyang May 29 (KCNA)—A blast of two million tons of earth was carried out at the Musan mining complex, a major iron headings producer of Korea.

The circumference of the blown-up mound was 1,500 metres.

The successful blast has provided another condition for a great leap in the production of iron headings at the complex.

This year the complex has carried out blasts of more than one million ton scale in succession, securing large quantities of raw ores and ensuring the standardization of excavation terraces.

There are large deposits of high-grade magnetite mounting to billions of tons in the Musan area situated in the northernmost part of Korea.

The complex is working hard to create a production capacity of ten million tons of iron headings for the present and 15 million tons in future.

Investment in Industrial Construction Increases

*SK2905044290 Pyongyang KCNA in English
0424 GMT 29 May 90*

[Text] Pyongyang May 29 (KCNA)—Korea last year increased investments in productive capital construction 7 percent over the previous year and stepped up the construction of major objects.

In the mining industry the December 16 coal mine, the Chongpyong Mine and the Sinpa Youth Mine were commissioned and Sunchon, Komdok, Musan and other large coal and ore mines reconstructed and expanded to boost their production capacity.

The construction of the Taechon, Nyongwon and Namgang power stations, the December Thermal Power Station and other large power stations was pushed ahead and hundreds of minor power stations were built.

The Kim Chaek Iron and Steel Complex, the Chollima Steel Complex and other iron and steel works were reconstructed on the expansion basis and the May 18 Large-Size Stamp-Forging Factory was commissioned, and thus the internal structure of the ferrous metallurgical industry further completed.

The April 25 Machine Factory was commissioned, the Sungri General Motor Works doubled its capacity and the expansion projects of electronic and automation factories stepped up.

The Sangwon Cement Complex with a capacity of two million tons was commissioned and the building-materials industrial base further consolidated.

The first stage of the Sunchon Vinalon Complex, the carbonate of soda Factory of the Namhung Youth Chemical Complex, the Hamhung Herbicide Factory of the February 8 Vinalon Complex, the Hyangsan General Foodstuff Factory, the Samjiyon Cold Beverage Factory and many other factories have been commissioned.

As a result, the independent foundations of industry have been further strengthened and favourable conditions created to carry out the third seven-year plan ahead of the schedule.

Newly Manufactured Robots Described

*SK2905102090 Pyongyang KCNA in English
1011 GMT 29 May 90*

[Text] Pyongyang May 29 (KCNA)—Varieties of new robots have been manufactured recently in Korea.

The Mangyongdae machine tool plant produced a drawing robot.

It reproduces a computer-memorized design on a drafting paper. It is so designed as to link the card system with the Korean language.

Its development is significant in the modernization of designing and filing.

The West Pyongyang Locomotive Corps made a joint arc welding robot. This robot, a remote-controlled direct command system, replaces several high-skilled workers.

It has all advantages of the world's hightech welding robots. It is characteristic of high speed, high precision and great flexibility of movement.

Abnormal phenomena that occur in its operation appear on the screen.

The Kim Chong-tae Electric Locomotive Complex made a plasma cutting robot.

This robot performs its function without a special programming. When a sample of goods is affixed to the clasp its multi-joint arm cuts off sheet iron tens of millimetres thick in the same pattern, going round the sample.

The robot is very economic for its short time of operation and precision.

These robots have been manufactured by three-revolution team members who are working at the aforesaid industrial establishments.

South Korea

No Tae-u Talks With Gorbachev Scheduled

Officially Announced

*SK3105063090 Seoul Domestic Service in Korean
0600 GMT 31 May 90*

[Telephone report by Mun Chae-chol from Chongwadae, Seoul—live]

[Excerpt] This afternoon, Yi Su-chong, spokesman for Chongwadae [presidential residence], officially announced that President No Tae-u and Gorbachev, president of the Soviet Union, are scheduled to hold a historic Korean-Soviet summit on 4 June in San Francisco, the United States. President No Tae-u will leave for the United States on 3 June and will hold talks with President Gorbachev in San Francisco on the afternoon of 4 June, San Francisco time. He also will visit Washington to hold Korean-U.S. summit talks with President Bush.

Spokesman Yi Su-chong also said that in the summit talks, which will provide a historic turning point in Korean-Soviet relations, President No Tae-u and President Gorbachev will discuss global changes and the Northeast Asian situation, and they will extensively discuss the improvement of North-South relations, peace and stability on the Korean peninsula, and other matters of mutual concern. He also said that the San Francisco summit talks will address the issue of establishing diplomatic relations between the two countries and ways to promote exchanges and cooperation. [passage omitted]

Termed 'Turning Point'

SK3105065490 Seoul YONHAP in English 0608 GMT 31 May 90

[Text] Seoul, May 31 (OANA-YONHAP)—South Korean President No Tae-u and Soviet President Mikhail Gorbachev will meet in San Francisco, California, on Monday [4 June] to discuss normalization of diplomatic relations and ways to bring peace and stability to the Korean peninsula, it was announced Thursday.

The Korea-Soviet summit is an important turning point for easing tension on the divided Korean peninsula, presidential spokesman Yi Su-chong said, adding that the two countries have yet to set the time and place of the meeting.

No and Gorbachev are expected to agree in principle to set up full diplomatic ties at the earliest possible date and will have deep discussions on promoting bilateral exchanges and cooperation, an informed source said.

The unprecedented summit will help advance the normalization of ties with the Soviet Union, a strong ally of the South's main adversary, North Korea, and will have a decisive impact on the situation of the peninsula, the last vestige of cold war confrontation between East and West, the source said.

No will meet with U.S. President George Bush in Washington on Wednesday after the summit with Gorbachev, Yi said.

No is expected to brief Bush on the Korea-Soviet summit as well as his visit to Japan last week, the spokesman said.

The No-Gorbachev meeting comes as the two countries, which have no diplomatic relations, are expanding exchanges in non-political fields such as economy and trade. The two nations opened consular departments in Seoul and Moscow in March as a prelude to diplomatic ties.

No and Gorbachev are expected to discuss the international situation surrounding the divided peninsula, circumstances in Northeast Asia and ways to induce Pyongyang to openness and reform, the source said.

The Soviet Union, which backed the communist North in the Korean War and has since been its main supplier of weaponry and technology, is actively seeking economic relations with the South, but aware of the position taken by the North, has balked at rapidly extending political ties.

Normalization of ties has been expected since a visit by South Korean ruling party leader Kim Yong-sam to the Soviet Union, during which the two sides reportedly agreed in principle to establish diplomatic ties within the year.

The meeting will take place when Gorbachev visits San Francisco after his Washington summit with Bush and just before his departure for Moscow, the source said.

No will be accompanied by a 13-member official entourage, including Foreign Minister Choe Ho-chung, head of the Korean consular department in Moscow Kong No-myong and Korean Ambassador to the United States Pak Tong-chin, the spokesman said.

"In the Korea-Soviet summit, the first in history, Presidents No and Gorbachev will exchange views on changes in the world and circumstances in Northeast Asia and discuss problems regarding peace and stability and improved relations between South and North Korea," the announcement said. "No and gorbachev will also discuss normalizing ties and promoting exchanges and cooperation between the two countries."

South Korea actively seeks improved relations with communist countries, especially the Soviet Union and China, under President No Tae-u's ambitious diplomatic initiative called "northern policy" as part of efforts to ease tension and create favorable circumstances for reunification of the Korean peninsula, which was divided at the end of World War II in 1945.

No was scheduled to visit Canada, the United States and Mexico after visiting Japan last week, but canceled the trip so that he could handle pressing domestic issues.

Gorbachev told Kim Yong-sam in Moscow that there were no obstacles to normalizing ties between the two countries, although Moscow is a traditional ally of Pyongyang.

Despite limited political relations so far, two-way trade was 599 million U.S. dollars last year, up 106 percent from 1988 and a tenfold increase from 1985. Korea had exports of 208 million dollars and imports of 392 million dollars with the Soviet Union.

Bilateral trade this year will surpass 1 billion dollars, according to an unofficial forecast.

Designed To Promote Relations

SK3105072890 Seoul YONHAP in English 0717 GMT 31 May 90

[Text] Seoul, May 31 (YONHAP)—The staff in President No Tae-u's office say that it was No who planted the seed that grew into Monday's summit with Soviet leader Mikhail Gorbachev.

No directed his cabinet on April 7 to talk to Soviet officials about a meeting with Gorbachev after hearing a U.S.-Soviet summit would be held in late May, officials at Chongwadae said Thursday.

"To meet with President Gorbachev is the best way to promote inter-Korean relations since (North Korean President) Kim Il-song does not answer my call for a meeting," they quoted No as telling his staff at the time.

On Thursday, No met his aides over lunch and reportedly said, "We have to make a detour to reach Pyongyang, going via Moscow because the direct route is blocked."

No is determined to make his meeting with Gorbachev in San Francisco an epochal turning point for inter-Korean relations, they said.

Summit May Expedite North Ties

SK3105094790 Seoul YONHAP in English 0858 GMT 31 May 90

["News analysis" by Kim Tae-sik: "Summit First Step Toward Diplomatic Ties, Peace in Korea"]

[Text] Seoul, May 31 (OANA-YONHAP)—The historic summit meeting between South Korean president No Tae-u and Soviet leader Mikhail Gorbachev is expected here to expedite the establishment of diplomatic relations between Seoul and Moscow, the biggest issue pending between the two countries, and of lasting peace on the Korean peninsula.

Normalization of relations and expansion of bilateral exchanges and cooperation will be the top topics in the No-Gorbachev meeting on Monday in San Francisco, California, according to the Korean presidential spokesman, Yi Su-chong.

No and Gorbachev will also exchange views on the situation in the Northeast Asian region and the establishment of peace and stability on the Korean peninsula, including South-North Korean relations.

Observers expect the two leaders to agree to establish diplomatic ties at an early date, probably this year. The two nations have already reached agreement in principle on normalization of relations.

The summit, the first in the history of the two nations, will bring a substantial change to South-North Korean relations.

The summit and eventual diplomatic relations are the first steps toward "cross recognition" of the two Korea's by each other's allies—recognition of Seoul by Moscow and Beijing, and of Pyongyang by Washington and Tokyo—observers say, adding that it could advance reunification of the Korean peninsula.

Cross recognition is said to be the most realistic and feasible way to achieve peace on the Korean peninsula and reunification of Korea, divided since the end of the World War II. North Korea has persistently rejected the formula, saying that cross recognition would perpetuate the division, and China has supported North Korea's claim.

Normalization of Seoul-Moscow ties will have a substantial effect on inter-Korean relations because of the close relations between Moscow and Pyongyang. Since recognizing the Pyongyang government in 1948, the Soviet Union has maintained close relations in every field—political, economic and military—and supported Pyongyang in the international diplomatic community. Relations have been uncomfortable, however, since Moscow adopted perestroyka and began to approach Seoul.

The South Korean president will appeal to Gorbachev for the Soviet Union, the chief ally of North Korea, to influence North Korea to open its society and sit down at the conference table with the South.

The Korean-Soviet summit meeting is seen here as a fruit of the diplomatic efforts carried out by No's government.

The Soviet Union and China were always at the center of No's nordpolitik, which has as its ultimate goal reunifying the two Koreas. The summit will have a positive effect on Seoul's efforts to establish diplomatic ties with Beijing.

For its part, the observers say, the Soviet Union hopes to increase its influence in the Northeast Asian region, not just on the Korean peninsula, by establishing diplomatic relations with South Korea.

By maintaining diplomatic ties with both Koreas, the Soviet Union may be seeking advantage in its competition with China, the United States and Japan, they say.

Another possible reason behind the No-Gorbachev meeting is that Moscow is in need of economic cooperation with South Korea. Gorbachev needs Korean capital and production skills in order to meet his people's growing demands and solve the serious shortages of daily necessities, while Korea is in need of the vast Soviet resources.

Economic cooperation has sharply expanded in recent years, but there are substantial stumbling blocks because of the lack of formal ties. Bilateral trade, which began in 1986, grew to 600 million U.S. dollars in 1989 but was entirely barter trade.

The Soviet Union also hopes to shock Japan, which has been lukewarm toward economic cooperation with Moscow. By expanding economic ties with Seoul, Moscow intends to win Tokyo's cooperation, observers here say.

The summit will certainly bring substantial changes in relations between Pyongyang and Washington. Pyongyang has recently been appeasing Washington, handing over the remains of five U.S. soldiers killed in the Korean War, and the Bush administration approved a visit to Washington by a North Korean diplomat accredited to the United Nations in New York.

The San Francisco summit, which will follow the U.S.-Soviet summit, will be in effect an indirect three-way summit meeting between No, Gorbachev and Bush as No is scheduled to meet Bush in Washington after meeting the Soviet Leader. During the No-Bush meeting, the presidents are expected to brief each other on their meetings with Gorbachev.

Welcomed by Kim Yong-sam

SK3105084490 Seoul YONHAP in English 0817 GMT 31 May 90

[Text] Seoul, May 31 (OANA-YONHAP)—The historic summit meeting between President No Tae-u and Soviet President Mikhail Gorbachev could contribute to peace in the world and in Northeast Asia, ruling party Chairman Kim Yong-sam said Thursday.

"The summit meeting will tie an important knot in relations between the two nations," said Kim, No. 2 man in the Democratic Liberal Party (DLP).

Kim, who visited the Soviet Union and met with Gorbachev in March, also said the Soviet president had shown a positive and resolute attitude toward improved relations between Seoul and Moscow, noting Gorbachev's remark that there are no obstacles to normalizing ties.

"It was agreed in principle to normalize diplomatic ties this year during my visit to the Soviet Union, but I think the date for opening the full ties may be advanced," Kim said.

He also said Moscow, during his talks with Soviet officials, had proposed that the two countries first promote economic cooperation and then normalize diplomatic relations, but had decided to pursue the two issues simultaneously.

Kim said he thinks the Soviet Union is handling its relations with North Korea with confidence in its capacity and will use its influence to push Pyongyang toward openness and reform.

No and Gorbachev will meet in San Francisco, California, on Monday to discuss the normalization of diplomatic ties and ways to bring peace and stability on the Korean peninsula, it was officially announced.

The historic meeting will be an important turning point for lowering tension on the divided peninsula and improving the situation in Northeast Asia, analysts here said.

Politicians' Views Positive

SK3105093290 Seoul YONHAP in English 0838 GMT 31 May 90

[Text] Seoul, May 31 (YONHAP)—News of President No Tae-u's summit in San Francisco with Soviet President Mikhail Gorbachev on Monday was received with open arms on a broad front.

Rep. Pak Chun-pyong, secretary-general of the ruling Democratic Liberal Party (DLP), hailed the summit as "a historical event" Thursday.

"I believe the summit will greatly contribute to easing tension and promoting peace and reunification in this part of the world. It will not only positively affect Seoul-Moscow ties but also inter-Korean relations."

Dlp Rep. Yi Chong-chan said opening a new era in relations between Korea and the Soviet Union was indispensable for the future, for the national interests of the two nations and for security and prosperity in the Asia-Pacific region.

Rep. Kim Tae-sik, spokesman for the opposition Party for Peace and Democracy (PPD), said the PPD welcomed the summit "in principle" with the understanding that it reflects a big stride in Seoul-Moscow ties.

"It is regrettable, however, that the government decided on a summit without consulting the opposition party, though it has been saying diplomacy should be conducted in a supra-partisan manner," he said in a statement.

"The Seoul-Moscow summit should be utilized not simply as momentum for improving bilateral relations but for contributing to reconciliation between South and North Korea and peace in Northeast Asia.

"The government should not forget that its diplomacy toward the Soviet Union was poorly prepared and self-depreciating. It should make efforts to avoid such precedents," he said.

The small band of lawmakers trying to set up the Democratic Party (DP) also welcomed the Seoul-Moscow summit in a statement issued in the name of spokesman Chang Sok-hwa.

"The summit and other efforts to improve Seoul-Moscow ties are conducive to easing tension and bringing peace on the Korean peninsula and security in Northeast Asia. The government should make a cautious yet substantial approach to the Soviets in the summit meeting.

"We have to warn the government against going to the summit table with little preparation, since it has taken advantage of its northern policy to silence disputes in local politics," Chang said.

Yi Chae-o, spokesman for Minnyonchu [committee for the promotion of democratic alliance], a loose coalition of dissidents organizing a grassroots party, said his group welcomed the No-Gorbachev summit and believed it would contribute to eliminating the vestiges of the cold war on the Korean peninsula.

"It will invite our serious concern, however, if it turns out to be a new strategy to postpone reunification of Korea and to perpetuate territorial division," he said.

Upcoming U.S.-USSR Talks To Include Koreas

Peninsula Issue Critical

SK3005114290 Seoul TONG-A ILBO in Korean 30 May 90 p 2

[Report by TONG-A ILBO Washington correspondent Pyon Sang-kun]

[Text] On 29 May, U.S. Government officials said that at U.S.- USSR summit talks beginning 31 May, the United States will request the Soviet side to press North Korea not to withdraw from the Nuclear Nonproliferation Treaty.

The government officials, who wished not to be identified, revealed that the United States will also raise questions concerning North Korea's refusal to join the International Atomic Energy Agency.

In the meantime, the White House, while explaining the background of each agenda item to be discussed during the forthcoming U.S.-USSR summit talks, said that concerning the issue of the Korean peninsula, the Soviet Union is more interested in having South Korean entrepreneurs help restore the Soviet economy and develop the Soviet Far Eastern areas by expanding their investment and trade rather than establishing diplomatic relations with the Republic of Korea.

The White House also noted that the United States is supporting South Korea's efforts to expand relations with the Soviet Union and is advising the Soviet Union to support the entry of Korea into the United Nations, whether the separate entry of South Korea or simultaneous entry of North and South Korea. However, the White House repeatedly stressed that the improvement of ROK-USSR relations is different from the improvement of U.S.-North Korea relations.

The White House also revealed that questions on the Korean peninsula were not discussed during the Malta summit talks due to the limited time caused by weather conditions, but such questions were certainly discussed each time during the talks between U.S. and Soviet foreign ministers held last and this year.

The White House noted that the United States asked the Soviet Union to exercise influence on North Korea and that although Pyongyang has recently heightened its vigilance against the Soviet Union, the Soviet Union wants to continue to maintain its influential power over North Korea, and it has in fact influential power as the main supplier of weapons to North Korea.

Editorial Views Summit

SK3105030290 Seoul THE KOREA HERALD in English 31 May 90 p 8

[Editorial: "Superpower Summit"]

[Text] The superpower summit between U.S. President George Bush and Soviet leader Mikhail Gorbachev opens today in Washington against a special backdrop. Unlike most previous Russo-American encounters, the setting and climate are favorable. Its timing is decisive in that the summit might go down as a watershed in the post-World War II history of global politics.

Fierce battle cries over critical points of discord are absent on the part of both. The general international situation is moving toward detente and relaxation. The two leaders share a similar chemistry. They could improve substantially on the existing structure to bring greater integration and harmony to the globe.

The historic changes in the past year in East Europe are bound to figure prominently on the agenda of the second Bush-Gorbachev summit since they last met in Malta in December 1989. Discussions will focus on arms control, including nuclear and conventional forces reduction, reunification of Germany and its proposed membership in the North Atlantic Treaty Organization, which Moscow opposes.

The future of the Baltic states demanding independence from the Soviet Union is a matter of grave concern. Washington can hardly continue to remain aloof from the dispute without alienating the sympathetic international opinion. At the same time, it is in no position to press too far for concessions on Moscow's part at the moment.

An improved trade relationship with the United States will be pursued at the summit in connection with the issue of Soviet Jewish emigration. The Soviets have to give something on this score in return for commercial gains. Regional conflicts to be taken up are diverse, ranging from Afghanistan and Central America to Cambodia and Korea. The question of Pyongyang signing the nuclear safeguards agreement of the International Atomic Energy Agency might be raised again in Washington this week. The case for taming inveterate north Korea and peaceful unification of the Korean Peninsula deserves a fair hearing of the superpowers.

If a chemical warfare treaty is signed and a new strategic arms reduction treaty is declared generally complete at the end of the summit, the Washington meeting will have performed its major tasks. The broader upshot of the superpower summit should be to set the pace for increased international cooperation to build peace for the future, doing away with a frantic race to boost the sinews of war that had persisted through the cold war years.

North Said Ready To Return 5 More U.S. Remains

SK3005124090 Seoul Domestic Service in Korean 1200 GMT 30 May 90

[Report by AP, YONHAP, from Seoul]

[Text] The U.S. Korean War Veterans Association revealed today that North Korea has proposed to return five more bodies of U.S. soldiers who died during the Korean war, and that it also notified them of the places where 1,000 bodies of U.S. soldiers have been placed.

The U.S. Korean War Veterans Association also said that there is high possibility that some of the U.S. soldiers who participated in the Korean war may still be alive in North Korea.

Mr. (Friedlander) and Mr. (Everley), heads of the U.S. Korean War Veterans Association, revealed that the North Korean side notified them that it has five more bodies of U.S. soldiers which can be handed over to the U.S. side at any time.

In addition, Mr. (Friedlander) said that Ho Chong, North Korean deputy chief of mission in the United Nations, notified him of the places where 1,000 bodies of U.S. soldiers have been placed.

TASS Denies Reporter Deported From North

SK3105070190 Seoul YONHAP in English 0255 GMT 31 May 90

[Text] Tokyo, May 31 (OANA-YONHAP)—A source at the Soviet news agency TASS denied Wednesday recent news reports that TASS correspondent Aleksandr Shebin was deported by North Korea.

Shebin was asked to pay attention to regulations imposed on foreign correspondents by Pyongyang just before he returned home at the expiry of his six-year term but he was not ordered to leave, the source was quoted as saying by the Japanese news agency KYODO.

The source also said Shebin's replacement was already on the job, KYODO reported.

A North Korean diplomat in Moscow refused to comment on the reports, saying that there was nothing he knew, it said.

Shebin, a Korean-speaking expert in North Korean affairs, was reportedly bounced out of North Korea for articles distasteful to Pyongyang and its leader, Kim Il-song.

Economic Cooperation Beginning With Moscow

SK3105120390 Seoul CHUNGANG ILBO in Korean 31 May 90 p 1

[Text] It has been learned that based on its judgment that the recent international political and economic trend is flowing in a direction favorable to the settlement of pending issues between the ROK and the Soviet Union, including an obvious discussion of measures for easing tension in Northeast Asia during the U.S.-USSR summit talks and a comprehensive introduction of a market economy policy by the Soviet Union, the government has begun to implement comprehensive measures for ROK-USSR economic cooperation.

According to the relevant authorities, the Government, in accordance with its policies, decided on 30 May to dispatch a working-level economic investigation team to the Soviet Union on 2 June to actively push ahead with economic cooperation between the two countries by precisely gauging the real status of the Soviet economy.

Meanwhile, it was learned that Nazarov, chairman of the Soviet Chamber of Commerce in Seoul, and Sirotyuk, Soviet consular officer in Korea, will return home on 2 June to conduct liaison work for economic cooperation. All this shows that the settlement of questions concerning economic cooperation between the ROK and the Soviet Union is impending.

Projects amounting to several billion dollars have been moved ahead of schedule and are now under way between the ROK and the Soviet Union. However, there has been no extraordinary progress in investments in the Soviet Union by ROK entrepreneurs, despite their persistence, because of the lack of diplomatic relations and the lack of agreement on insuring investments.

According to one source, the Government has admitted the need for authorities from both countries to frankly and candidly discuss the Soviet economy's real situation and to work out concrete measures, including the signing of an agreement insuring investments, while also deciding to dispatch its first economic investigation team to the Soviet Union.

It appears that the Government's decision was prompted by our country's need to actively cope with the changes taking place in East Europe since becoming a member of the European Development Bank. This decision also was prompted by the need to cope with Northeast-Asian political and economic circumstances that certainly will change following the U.S.-USSR summit.

It has been learned that the Government will base its policy for future economic exchanges between the ROK and the Soviet Union on the results of this investigation team's findings.

Sakhalin Koreans Arrive on Home Visit

SK3105025890 Seoul THE KOREA HERALD in English 31 May 90 p 3

[Text] A total of 108 Korean residents in Sakhalin, the Soviet Union, arrived in Seoul yesterday for a 23-day homecoming trip arranged by the Korea National Red Cross.

The visitors made a tearful reunion with their relatives for the first time in about 50 years upon their arrival at Kimpo airport aboard a chartered Korean Air flight.

They are the third group to visit Korea so far this year.

The Koreans were taken to Sakhalin for forced labor at mines and construction sites during the Japanese colnial rule of Korea.

Mun Pok-ki, 91, the oldest person among the visitors, was reunited with his nephew, Kim Mun-o, who lives in Pusan.

27 May Dailies Assess No's Visit to Japan

SK3105003190

[Editorial Report] Seoul Korean-vernacular newspapers on 27 May carry editorials on results of the visit to Japan by President No Tae-u on 24-26 May. TONG-A ILBO carries a 900-word editorial entitled "The Future Task of the ROK and Japan; We Expect Japan's Efforts for ROK-Japan Partnership." The editorial, enumerating the topics discussed and agreements reached at the ROK-Japan summit, declares that "whether or not the two countries of the ROK and Japan can open a 'new chapter' in their relations with President No's visit as an occasion is a task of the future" and continues to say that "this is because we can still hardly feel that Japan has really become our close neighboring country which will open the era of the Pacific as our partner."

Touching on the Japanese emperor's apology for the Japanese imperialists' colonial rule over Korea in the past, the editorial expresses dissatisfaction with his apology, saying that "many Koreans can hardly read Japan's sincere will of apology from the wording of 'the deepest regret'" and that "Japan should, therefore, sincerely implement the issues agreed upon between the two countries during the visit to Japan of the ROK president."

The editorial also indicates the need for Japan's efforts and role in achieving peace and prosperity in the Asian-Pacific region and concludes by urging Japan to show sincerity in solving various pending issues between the two countries, including the issue of trade imbalances and the issue of legal status of Korean residents in Japan.

CHUNGANG ILBO carries a 900-word editorial entitled "To Make the Visit to Japan a New Turning Point: The Task That President No Has Left to Japan." The editorial sums up President No's visit to Japan by saying that "although we have an unsatisfied feeling about the sincerity and depth of Japan's apology for what it did against our country in the past era, we see that President No's visit to Japan this time can become a new start in cooperative relations between the two countries. However, the Japanese government authorities' attitude toward and basic understanding of ROK-Japan relations in the future will become an important factor in further improving cooperative relations between the two countries." The editorial goes on to say that "what Japan should do first of all is to rapidly and sincerely implement agreements concluded with our country and various issues agreed upon between the two countries during President No's visit to Japan."

The editorial also stresses the need for Japan's efforts in rectifying the chronic trade imbalances between the two countries, saying that "the two countries cannot lead the upcoming 21st century as partners in Asia and the Pacific without rectifying this issue first."

SEOUL SINMUN carries a 1,000 word editorial entitled "Partnership for the Future." The editorial declares that "more closely maintaining the friendly and cooperative relations between the ROK and Japan is necessary for the two countries not only in solving the pending issues between them, but also in seeking their common goal of opening a new era of Asia and the Pacific." The editorial goes on to say that "President No's visit to Japan this time has, therefore, become an important occasion not only inculcating such understanding in the people of the two countries, but also bringing about tangible and practical ways for cooperation between the two countries."

Referring to the remarks of apology by the Japanese emperor and prime minister for Japan's past colonial rule over Korea, the editorial says that "we do not want to argue about the expression of the wording of apology because the governments of the two countries have construed the remarks as including the meaning of apology and contemplation and because the present and future are more important than the past." The editorial stresses Japan's role in our security and reunification, saying that "the division of the North and the South is a consequence of the Japanese imperialist occupation of the Korean peninsula and Japan should, therefore, bear moral responsibility for stability and reunification of the Korean peninsula."

In conclusion, the editorial again urges Japan to show sincerity in solving the pending issues between the two countries such as the trade imbalance issue, the issue of legal status of the Korean residents in Japan, the issue of compensation for Korean atomic bomb victims, and the issue of scientific and technological cooperation.

HANGUK ILBO carries a 900-word editorial entitled "the Future of ROK-Japan Relations." The editorial sums up President No's visit to Japan by saying: "Our Government seems to highly evaluate the result of President No's visit to Japan. However, this is a hasty evaluation. Success of the visit depends on how sincerely in the future Japan will implement those issues discussed and agreed upon between the two countries during President No's visit. This is why we are going to watch how sincerely Japan will perform its duty and responsibility in the future."

The editorial goes on to say: "We can sum up that the significance and purpose of President No's visit to Japan was to liquidate the dark past existed between the two countries through Japan's apology for it, to discuss and settle pending issues between the two countries, and to build the relations of partnership between them in the upcoming era of Asia and the Pacific in the 21st century. However, none of them were smoothly solved or concluded this time. This is attributed to the insincere attitude of Japan which, while stressing the need for neighboring friendship externally, is seeking only its own benefits and interests internally."

The editorial concludes by saying that whether the two countries can liquidate their past and really become future friends and partners depends on their future attitude.

CHOSON ILBO carries a-900 word editorial entitled "Summing up President No's Visit to Japan." The editorial criticizes Japan's attitude toward the expression of Japan's apology for its past colonial rule by concretely disclosing the vague and ambiguous wording of the Japanese emperor's apology. The editorial stresses that "we do not need to continue arguing the farfetched Japanese attitude," and says that "what we should do in the future is to correct and rectify the differences in understanding of the history between the people of the two countries." The editorial then says that "along with this, the two countries, which pursue liberal democratic politics and the free market economic system, should develop and expand technological cooperation and balanced trade between them for coexistence and coprosperity."

25, 26 May Dailies View Japan's 'Deepest Regret'

SK3105054190

[Editorial Report] On 25 and 26 May, seven South Korean daily newspapers carried editorials on the "deepest regret" over its past misdeeds which Japan expressed during South Korean President No Tae-u's visit to Japan.

On page 2 of its 25 May edition, TONG-A ILBO carries an 800-word editorial entitled "On Hearing the Remarks of 'Deepest Regret'—Problem Is What Japan Will Do in the Future."

The editorial first elaborates on the meaning of "deepest regret." The paper says, "We think that 'deepest regret' expressed by Japanese King Akihito this time is insufficient for us to accept as an apology, because we cannot feel a sincere apology from what he said."

After expressing the hope that Japan will not continuously distort history and truths, the editorial concludes: "A genuine apology must be made by correctly writing Japan's history books, which have not been corrected yet, giving sufficient compensation to scores of thousands of Koreans who suffered from Japan's war, and respecting the human rights of Koreans living in Japan."

On page 2 of its 25 May edition, CHUNGANG ILBO carries an 800-word editorial entitled "Japan, Put Its 'Apology' Into Practice."

After expressing the hope that "this question must not be reiterated" and that "toward this end, Japan must make up for its diplomatic rhetoric, which was insufficient, through action," the editorial expressed a hope for a "new start in the relations of friendship and cooperation between Korea and Japan."

On page 2 of its 25 May edition, KYONGHYANG SINMUN carries an 800-word editorial entitled "Japan Must Put Up a New Face—What Japan Truly Meant by 'Deepest Regret' Will Be Shown by Its Future Deeds."

The editorial says that "it is foolish for Korea and Japan to waste their time and energy in their 'past' any more" because "there are very many tasks ahead for the two countries to carry out for their co-prosperity." The editorial concludes: "Substantially showing sincerity in guaranteeing equal legal rights for Koreans living in Japan, compensating the Koreans' suffering from the atomic bombs, redressing trade imbalances, and transferring technology will be the genuine repayment of Japan's historic debts."

On page 3 of its 26 May edition, CHOSON ILBO carries an 800-word editorial entitled "We Feel Sorry for 'Deepest Regret.'"

First, the editorial asks the South Korean government officials, who declared that the apology issue has been settled, "Why in the world they try to shut their eyes so easily to the past relations between Korea and Japan." After describing the Japanese king's "deepest regret" as a play on words, the editorial concludes: "We conclude that there was no apology by Japan on the history of relations between Korea and Japan. Also, this must go down in history as Japan's shame."

On page 2 of its 26 May edition, HANGUK ILBO carries an 800-word editorial entitled "'Deepest Regret' Which Must Be Substantiated." The editorial says that Japan must put the very ambiguous and symbolic phrase of "deepest regret" into practice and that "this visit must be an opportunity to make new turns in the relations between Korea and Japan."

On page 2 of its 26 May edition, SEOUL SINMUN carries an 800-word editorial entitled "Japan Must Make an Apology in Deeds." The editorial says: "Our doubts about Japan's sincerity will disappear if Japan assumes sincere, friendly, and cooperative attitudes."

On page 6 of its 26 May edition, HANGYORE SINMUN carries an 800-word editorial entitled "Before and After the Expression 'Deepest Regret'—Two Faces of Japan that Appeared in Its Words." After elaborating on the semantic aspects of "deepest regret," the editorial concludes: "It took 45 years to bring Japan to express 'deepest regret.' Even though Japan is a country that describes its aggression as an 'advance,' there are conscientious intellectuals and other people who favor reforms and a 'theory on the Emperor as an institution.'"

Anti-Kim Il-song Rally in Japan Viewed

SK3105020690 Seoul THE KOREA TIMES in English 31 May 90 p 6

[Editorial: "Anti-Kim Il-song Rally in Japan"]

[Text] Drawing our attention is the holding last Sunday of a rally attended by some 500 members of Chochongnyon to denounce hardline North Korean leader Kim Il-song for seeking to establish a Communist dynasty. The anti-Kim rally took place following the news report that North Korea's Supreme People's Assembly a few days earlier had created a National Defense Commission, with Kim as chairman and his eldest son and presumed successor, Kim Chong-il, 48, as first vice-chairman, in an apparent bid to prepare for handing over of power to the junior Kim.

The anti-Kim rally was the first in the history of the organization, a pro-North Korean association of Korean residents in Japan.

During the meeting, the North Korean head, the world's longest surviving autocratic ruler, was denounced by a former vice chief of organization at Chochongnyon headquarters for building a hereditary system so that his son could succeed to power, continuing to defy the waves of change for democratization sweeping the Soviet Union and other East European countries. The anti-Kim critic, calling North Korea one huge prison, reportedly maintained that ousting Kim to establish a democratic system in North Korea was the only way to save the North Korean people from disaster.

Even taking into account the fact that the organizers of the anti-Kim event were former leading members of the pro-Pyongyang association, it well indicates unavoidable change is taking place even in the most powerful organization of Koreans overseas supporting Pyongyang. On the occasion of every birthday of Kim Il-song, Chochongnyon has sent him huge amounts of "congratulatory offerings" reaching 15 billion yen by raising money from its members who have been asked to hang the portrait of the "great leader" like a divine idol in their homes.

Notably, the number of Chochongnyon members, which stood at 450,000 persons at its peak in the early days after the end of World War II, has reportedly been reduced to an estimated 200,000-odd out of the total 670,000 Koreans residing in Japan, with some 410,000 others now affiliated with Mindan, the pro-Seoul association of Korean residents there. Most of the present Chochongnyon members belong to families of the more than 93,000 persons repatriated to North Korea.

The decline of the pro-Pyongyang association is attributable to, among other reasons,the false propaganda by the reclusive state ruled by its life-long despotic dictator, which has been refuted year after year. Among the other factors which have reduced the pro-Pyongyang membership have been the notable economic development and democratization in South Korea, and the fact that the true picture of South Korea has been witnessed and publicized even by Chochongnyon members who have been allowed to visit here, in response to Seoul-arranged programs soliciting them to visit their family graves and places of origin in Korea.

It is indeed deplorable to realize that North Korea remains one of the world's few hardline Communist states along with Cuba, despite the sweeping moves in East Europe, Mongolia and other parts of the world to renounce single-party rule and seek ties with Seoul since last year.

In spite of the global trends toward door opening and democratization, lamentably the North Korean rulers are still sticking to an anachronistically hereditary system and attempting to build an unprecedented Communist dynasty.

Notwithstanding, we should continue to urge inter-Korean dialogue in a sustained effort to forge mutual trust, as a precondition for easing tension between South and North Korea. At the same time, it is our hope that four powers having influence on the Korean peninsula, namely the United States, Japan, the Soviet Union and China, will get Pyongyang to resume dialogue with Seoul and pen its doors to fall in step with worldwide trends.

Keen attention is being paid to what impact the anti-Kim moves within Chochongnyon will have in the days ahead in connection with the call for inter-Korean dialogue, a step toward peaceful coexistence and eventually Korean reunification.

Editorial Views North Korean, U.S. Interests

SK3105045190 Seoul CHOSON ILBO in Korean 30 May 90 p 3

[Editorial: "U.S., North Korea Shake Hands at Panmunjom"]

[Text] It was 37 years ago that the representatives of the United States and North Korea began to meet at Panmunjom. The representatives from both sides, ranging from the ranks of company officers to general officers, have met and held dialogue on numerous occasions in the past.

However, not once had they grasped each other's hand for a handshake. Moreover, neither side had so much as nodded to one another.

For the North Korean side, the United States has been a thoroughly hateful, sworn enemy. Nevertheless, the North Korean side on 28 May stretched out its hand first to the Americans.

Indeed, this is a great change. North Korea broke the taboo it imposed on itself and stuck to it for 37 years. Of course, the United States has not shown any change to this attitude by North Korea. Contacts have been held seven times over the last two years in Beijing between members of the missions of the United States and North Korea. However, such contacts signified North Korea's change rather than that of the United States.

The return of remains of five American soldiers on 28 May is the same as the raising the curtain for such change. This change is also construed as a policy of North Korea for a sort of "opening" aimed at approaching the United States. In other words, North Korea wants political negotiations with the United States as payment for returning the remains.

Thus, North Korea demanded "continued negotiations" in the future in addition to the return of the remains at Panmunjom. On the very same day, Ho Chong, deputy chief of North Korean mission from the United Nations, also demanded that "the United States express an appropriate gesture."

What are the "negotiations" and "appropriate gesture of the United States" that the North Korean side wants? They are, in short, "improvement of relations with the United States by excluding the Republic of Korea." This is why North Korea stretched out its hand at Panmunjom and attached an importance to the "delivery of the remains of American soldiers" as political negotiations between the parliamentarians of both sides, unlike meetings of the Military Armistice Commission [MAC] which have been held without a handshake and greetings over the past 37 years.

This notwithstanding, the United States has not shown an immediate agreement with such an intention by North Korea. U.S. Congressman Montgomery who came to receive the remains, just as the U.S. Government, merely hoped for "continuation of the return of the remains" and limited the issue concerning the remains to the pure military question to be dealt with by the MAC. However, Yi Song-ho, deputy to North Korea's Supreme People's Assembly and deputy chairman of the Committee for Cultural Relations with Foreign Countries, made remarks with political significance that the further delivery of the remains "depends on the attitude of the U.S. side" while stating that he hopes for continued negotiations for the return of the remains.

According to what has been known up to now, it appears that the North Korean side has unearthed more than 100 remains and will pursue substantive political profit whenever it delivers more of the remains. It seems that the designation of 28 May, U.S. Memorial Day, as the day of the first delivery of the remains is political psychological warfare designed to appeal to the sentiments of the American people. North Korea might have gained some effect out of such an intent. Such effect may be sensed from the fact that an invitation was extended not only to North Korean scholars but also to such political strongmen as Ho Tam.

The United States acts based on the reasonable logic that the return of the remains should be limited to a military issue. However, the United States may possibly be dragged into the other side's political scheme unconsciously. Such concern was prompted by the precedent concerning the repatriation of prisoners of wars agreed on January 1952 and the Armistice Agreement signed in June 1954. The remarks of a U.S. diplomat who came to Panmunjom on 28 May stressing that political significance should not be attached rather than increase such doubt.

Editorial Views 'Hot' Developments in North

SK3105084090 Seoul THE KOREA HERALD in English 31 May 90 p 8

[Editorial: "Pyongyang in Hot Water"]

[Text] Recent developments in and around the Korean Peninsula conspire to make it too hot for the North Korean Communists despite their desperate efforts to shut themselves up in the Stalinist hermit kingdom heavily walled in and isolated from the outside world.

Seams and crevices have begun to merge within the narrow circle of north Korea's foreign patrons and its consanguineous followers. The native masses held captive inside the northern part of this peninsula are kept from making their grievances and dissent known by the rigid system of regimentation and surveillance.

The latest eruption of opposition to the despotic rule of Kim Il-song came from current and former leaders of Chochongnyon, an association of pro-Pyongyang Koreans living in Japan, who took the unprecedented action this week of criticizing the Pyongyang regime for its personality cult and bad treatment of returning Koreans.

The latest move within Chochongnyon, which ahs been stead-fastly loyal to north Korea, is remarkable because of recent changes in the organization to take an open stand against Pyongyang, which amounts to an act of sacrilege in the Communist society.

In Tokyo last Sunday, some 500 Chochongnyon members met in a rally to denounce hard-line north Korean leader Kim Il-song for seeking to establish a Communist dynasty by grooming his son Chong-il as presumed successor. It touched a raw nerve with Pyongyang at a sensitive time.

About the same time, a break with the Soviet Union came out when north Korea expelled a correspondent of TASS news agency for writing stories critical of North

Korea. Expulsion of the Pyongyang-based Soviet journalist is taken to be another sign that the orthodox North Korean Communists are defying and resisting Soviet-style reforms. Pyongyang has no way out of the straits without coming along on the currents of the times toward openness and liberalization.

Kim Tae-chung Views UN Admission Proposal

SK3105024490 Seoul THE KOREA HERALD in English 31 May 90 p 2

[From the "Out and About" column: "Proposal for UN Seat"]

[Text] Kim Ta-chung yesterday said that North Korea's proposal for joint admission to the United Nations by South and North Korea with a single seat is worth considering.

Kim, president of the Opposition Party for Peace and Democracy, said that he would bring the issue to Chongwadae when he meets with President No Tae-u next week for an interparty summit.

"Although the government branded the north Korean offer as impractical" and refused to accommodate the proposal affirmatively, I think the offer is worth positive consideration taking into account the symbolic meaning of the UN seat of the divided Korea" he said.

New Army Chief of Staff Designated

SK3105024890 Seoul THE KOREA HERALD in English 31 May 90 p 3

[Text] The government was reported yesterday to have designated Gen. [General] Yi Chin-sam new Army chief of staff, replacing Gen. Yi Chong-ku whose term expires July 30.

A cabinet meeting is expected to be held this afternoon and is to name Gen. Yi Chin-sam, currently the First Army commander, as new army head.

DLP's Kim Yong-sam Calls for 'Prudence'

SK3105070390 Seoul YONHAP in English 0155 GMT 31 May 90

[Text] Seoul, May 31 (YONHAP)—Kim Yong-sam, chairman of South Korea's ruling Democratic Liberal Party (DLP), sought Thursday to put a lid on the controversy over constitutional revision to introduce a cabinet system. At a news conference Thursday morning, the DLP's No. 2 man said, "Discussion of rewriting the constitution to adopt the parliamentary system at this juncture would not serve the interests of people or the nation, not to mention the DLP."

The former opposition leader said it was time to exert efforts for party unity and for political, social and economic stability by solving the twin problems of real estate speculation and inflation.

Calling the controversy over the system of government "consumptive," Kim called for a halt.

Kim denied a published report that the three top leaders of the DLP—president No Tae-u, Kim Chong-pil and himself—met secretly on May 6 to sign an agreement on pushing for the change to institute the cabinet system by the end of next year.

Asked about the alleged agreement to alter the political system, Kim only said, "a political party is in a position to discuss the political structure." He added that prudence is needed in discussion of the issue as it requires a broad consensus to change the constitution.

Kim's news conference was apparently arranged to squelch the controversy before it spreads because the ruling camp fears a rise in negative public opinion is shaping up as the nation faces pressing social and economic problems.

Upon hearing the report on the agreement for the cabinet system, opposition leader Kim Tae-chung and other opposition politicians began an offensive in support of Koreans' traditional preference for the presidential system.

Burma

Opposition 'Reeling' After NLD Victory

BK3005130890 Hong Kong AFP in English 1258 GMT 30 May 90

[By Khin Maung Thwin]

[Text] Rangoon, May 30 (AFP)—Burma's opposition parties were still reeling Wednesday [30 May] under the shock of the National League for Democracy's (NLD) landslide victory in the weekend's general elections.

Although the NLD's clean sweep awaits official confirmation, likely to come in the next three weeks, the party has apparently steamrolled the National Unity Party (NUP)—formerly the Burma Socialist Programme Party (BSPP)—which was considered its most formidable opponent.

The NUP, thought to be pro-military government, did not finish even a close second. It has so far taken some 24 seats to the NLD's 385, according to unofficial returns from regional polling stations. There are 485 seats total.

A stark difference is evident between the NLD's Rangoon headquarters, where thousands of jubilant supporters gather daily in spite of heavy downpours to await the announcement of incoming returns, and the all-but-empty and silent party premises of the NUP.

Ninety-three political parties took part in Sunday's elections, Burma's first multi-party poll in 30 years.

The NUP, depending on solidly organized structures built over the past three decades, had been quietly confident that it would garner 75 per cent of the parliamentary seats.

"In each of the 314 townships of Burma, we have at the very least over 2,000 hardcore party members," an NUP organiser had said.

But analaysts said that NUP organizers had failed to gauge correctly the simmering resentment of the people, who had quietly suffered economic and social hardships until the 1988 pro-democracy outburst that was brutally put down by the generals who seized power in September of that year.

Sunday's polls, widely described as a second-round of the pro-democracy mass demonstrations, rudely awakened the NUP to reality as NLD candidates won resounding victories even in townships regarded as NUP strongholds.

In Rangoon, where more than two million voters went to the polls, the NLD made a clean sweep of all the 59 seats they contested. The remaining two seats went to smaller anti-governement parties, but not the NUP.

A similar fate awaited the NUP in Mandalay, where the NLD has taken 55 of the 56 seats contested.

The latest available returns showed that even in Irrawaddy, the rice-rich delta to the south of the capital where political repression prior to the elections was the heaviest, the NLD has already garnered 46 of the available 48 seats.

"Burma's long-suffering people have solidly put their fate in the hands of the NLD, for better or for worse," a senior diplomat said, expressing astonishment at such massive support for a single party.

"This is a demonstration of the people's desire for a better future and for democracy," said NLD spokesman U Kyi Maung, who himself won a landslide victory in Rangoon's Bahan township.

"It is but a temporary setback," an NUP organizer said, already looking ahead to the next general elections.

A veteran Burmese political analyst said the NLD had filled a long-existing political vacuum in Burma.

"Besides the general feeling of a desire for change, they are fed up with a single-party system, the 26 years of hardship under the BSPP and of military rule," he said, adding that voters identified the NUP with the difficulties.

The BSPP was dissolved during the 1988 unrest after its founder, General Ne Win, the former Burmese strongman, stepped down to end his 26-year rule.

"Ten years of political experience were crammed into one single, tumultuous year in 1988 and the people became intellectualy mature," the analyst said.

Sunday's elections were described by foreign diplomats and journalists as one of the cleanest and most disciplined ever held in a developing nation.

Military authorities, who repeatedly promised free and fair elections, expressed satisfaction.

"We have successfully held the freest, fairest and cleanest multi-party elections," Major-General Khin Nyunt, the ruling junta's first secretary, said at a meeting here Tuesday.

He called the elections "an important landmark in Myanmar (Burma's) history" and "a good tradition set for all the people of Myanmar."

A young NLD member, still basking in the euphoria of victory, said: "We do realize that the NLD has shouldered a heavy responsibility."

'Insurgent' Group Demands Transfer of Power

BK3105084590 Hong Kong AFP in English 0827 GMT 31 May 90

[Text] Bangkok, May 31 (AFP)—The Democratic Alliance of Burma (DAB), an umbrella organization of that country's nearly a dozen ethnic minority insurgent groups, demanded Thursday [31 May] that Rangoon's military junta "immediately" transfer state power following Sunday's election victory by the main opposition party.

"The Democratic Alliance of Burma demands that the State Law and Order Restoration Council (SLORC) immediately and honestly hand over state power to representatives elected by the people," the DAB said in a statement.

The statement also demanded that "the SLORC release all detained political prisoners, including Aung San Suu Kyi, U Tin U and U Nu."

The DAB said it warmly welcomed the preliminary results of Burma's May 27 general elections, and that the results of the elections "plainly revealed the disgust of the entire people on military dictatorship" and "their desire for democracy and internal peace."

"The Democratic Alliance of Burma believes that internal peace could be worked out through peaceful political means and only after that a federal constitution should be drafted with the participation of all ethnic nationalities, including the Democratic Alliance of Burma," the DAB press release said.

Burma's general election on Sunday saw the country's main opposition party, the National League for Democracy (NLD), win a resounding victory capturing a majority of the parliamentary seats.

NLD General Secretary Aung San Suu Kyi, 44, daughter of Burma's independence hero General Aung San, was put under one year's house arrest in December, while NLD Chairman Tin U was last year sentenced to three years hard labour in prison.

Saw Maung Addresses Meeting of Top Officials

BK3005150490 Rangoon Domestic Service in Burmese 1330 GMT 30 May 90

[Text] Senior General Saw Maung, chairman of the State Law and Order Restoration Council [SLORC], addressed a meeting of the members of the SLORC, Cabinet members, and high-ranking officials of the Defense Ministry held in the Operations Room of the Defense Ministry at 0930 today.

Present at the meeting were General Than Shwe, vice chairman of the SLORC; members of the SLORC; Major General Khin Nyunt, SLORC secretary-1; Major General Tin U, SLORC secretary-2; Cabinet members; the chief justice; the attorney general; the auditor general; the chairman of the Public Service Training Board; high-ranking officers of the Army, Navy, and Air Force; members of the SLORC's Information Committee; and directors general of the Office of the SLORC, the Office the Cabinet, and the Ministry of Foreign Affairs.

Addressing the meeting, Senior General Saw Maung said: We issued Announcement No. 1/89 on 18 September 1988—the day we assumed the responsibilities of the state. Our duties are, according to paragraph 1, sub-paragraph A of the announcement, to enforce the rule of law and order and regional peace and tranquillity; according to sub-paragraph B to facilitate and to provide security to the transport sector; according to sub-paragraph C, to do everything possible and to render help to the private and cooperative sectors to facilitate the food, clothing, and shelter needs of the people; and according to sub-paragraph D, to hold multiparty democratic general elections when the above three tasks are completed.

If we look back at our accomplishments, we can see that we have achieved progress in undertaking the tasks outlined in sub-paragraphs A, B, and C above. The most important task of holding multiparty democratic general elections as underlined in sub-paragraph D was carried out on 27 May.

It was the Elections Commission that was responsible for the holding of the elections. The election results which are in the commission's hands are still being announced. The final results might be known in one or two weeks, but I cannot say when exactly. This is the work of the Elections Commission.

What is important is that the Elections Commission is responsible for the holding and supervision of the multiparty general elections. We have said this a number of times.

From a security point of view, there are great disturbances threatening today's situation.

On the question of the elections being fair, everybody knows whether the SLORC and particularly the Defense Services were biased or not because the elections were observed by journalists and international bodies, and news agencies from both the East and West were there. They themselves were given the chance to study the situation.

If we look at their news dispatches, we can see that they believed the elections were held in a fair and free manner. We have all read their news reports and heard the news reports from their radio stations. The elections held were in fact free and fair. It is obvious that the Defense Services, which have a good tradition, did not show favoritism, offer help, give encouragement, or interfere in any process.

This is what we have done regarding our own four tasks.

There are still many tasks to be completed in the future. I said everything that should be said when I met with the foreign journalists. I have also talked about these tasks at every available opportunity. The ministers and the members of the Information Committee who are present here were there at that time.

Following the assumption of state responsibilities, we said that we would undertake the four tasks and hold multiparty general elections. We have already completed the task of holding free and fair multiparty general elections.

If someone asks us if our duties are over, we must say no, they are not over. Our duties will not be over until a government has been formed in accordance with the law. It is necessary to understand that we will bear the responsibility of enforcing the rule of law and order and regional peace and tranquillity. Another point is that we will have to continue with our work of facilitating transport and providing security. We will also have to continue with the tasks underlined in sub-paragraph C. That is, undertaking tasks to facilitate the food, clothing, and shelter needs of the people and doing everything possible to help the cooperatives and the private sector.

What we would like to say is that we had to assume the responsibilities of the state because of the circumstances at the time. To be frank, we can never allow the conditions of 1988 to take place again, and we will not accept such a recurring situation.

Another important point that I want to tell the Cabinet, responsible organizations, ministries, and responsible officials, concerns the service personnel. By service personnel I mean civilian as well as Defense Services personnel. Defense Services personnel and public service personnel must be free from party politics. The second point is that we have said previously that these personnel can freely vote for the person of their choice without any interference or intervention. We have also said that no one must interfere or intervene through the use of threats or blackmail. This is the same instruction that we issued regarding the elections.

As far as we know, the casting of votes went ahead without anyone making threats against or blackmailing civil service personnel, military personnel, or other people. What is important following the voting process is for the services personnel to show a patriotic spirit.

Depending on the number of votes it receives, a party may win or lose. No matter what the outcome, it is essential that services personnel do not personalize the victory of the party they like and the defeat of the party which they do not like. This in itself is the practice of democracy. It is vital not to bring the mood of the election victory or loss to work. We have already given you the right to exercise the right.

Some may feel happy, and they may keep that feeling to themselves. Some may be discouraged because the organization they favor has lost. It is essential that both the winners and the losers do not bring this matter to work. It is vital to avoid conflict between service personnel. The most important task of the service personnel is to carry out the duties of the state; we have said this many times before.

In the past, I have urged you to undertake the tasks of the state dutifully and be responsible to the government which has come to power in accordance with the law, regardless of which government that may be.

Public service personnel will have to conduct themselves according to the regulations. I would particularly like to urge them to prevent discord and disunity within public service organizations. It is necessary for the superiors concerned to thoroughly explain this point to the service personnel.

The Defense Services already have its three main tasks—to prevent the disintegration of the union, to keep national unity intact, and to perpetuate the sovereignty of the nation. We will dutifully serve these three tasks at any time and under any situation.

Frankly speaking, the Defense Services are currently in charge of state power, and it will not remain indifferent if these three tasks are undermined, regardless of the individual or organization involved. All public service personnel should understand this point. I have said this because I believe this should be stressed. It is very important particularly for the public service to observe the service regulations and to uphold the public service spirit.

I must say this overtly because recently some internal and external broadcasting stations have been saying different things here and there. Frankly speaking, external broadcasting stations have admitted explicitly that the elections were free and fair. I have also clearly explained this to the foreign journalists. I told them that I shall do whatever is necessary, and abide by the law. You judge for yourselves whether the election is fair or not.

It is necessary to explain this in detail to the public service personnel so that they will not waver and have doubts.

Brunei, Malaysia & Singapore

Malaysia

Sabah State Legislative Assembly Dissolved

BK2605063090 Kuala Lumpur International Service in English 0600 GMT 26 May 90

[Text] The Sabah state legislative assembly was dissolved today, paving the way for fresh state elections a year before the term of the government expires. Chief Minister Datuk Sri Joseph Pairin Kitingan told a press conference at his official residence in Kota Kinabalu this morning that the head of state has consented to the dissolution.

Under the newly-amended state Constitution concurrent with federal Constitution, an election must be held within 60 days from the date of dissolution of the state legislative assembly.

Political Situation Analyzed

BK2605072290 Hong Kong AFP in English 0709 GMT 26 May 90

[By Mervin Nambiar]

[Text] Kota Kinabalu, Malaysia, May 26 (AFP)—Chief Minister Joseph Pairin Kitingan dissolved the 54-member Sabah state legislature on Saturday [26 May] and called for elections in this politically volatile east Malaysian state. The dissolution came a full year before the expiry of the Christian-dominated government's five-year term and comes shortly after Mr. Kitingan charged federal officials with undermining his administration.

State officials said they expected the elections commission, an independent body, to set the date for polling within 60 days.

Mr. Kitingan's Parti Bersatu Sabah (PBS), which first won power in 1985 and repeated its polls victory a year later, is expected to face a strong challenge from the Moslem-dominated United Sabah National Organisation (USNO) and a three-party opposition coalition. Both the PBS and USNO are members of Prime Minister Mahathir Mohamad's National Front coalition, although they are bitter foes in this oil- and timber-rich state called British North Borneo before it joined Malaysia in 1963.

The PBS has 45 seats in the state legislature, including six appointed members, the USNO eight and Parti Berjaya, whose 10-year rule the PBS ended in 1985, one.

The English-language daily THE BORNEO MAIL, which closely reflects the views of Mr. Kitingan's government, reported Saturday the arrest of two PBS stalwarts under security laws allowing indefinite detention without trial. Benedict Topin and Albinus Yudah, both activists in the PBS-aligned Kadazan/Dusun Cultural Association, were arrested on Friday, the paper quoted their relatives as saying.

Dr. Mahathir said in January that Sabah's politicians were fanning parochialism and anti-Malaysia sentiments to win support. He warned of federal action if the situation worsened. Analysts said the prime minister's warnings were directed at top PBS and state officials, among them Jeffrey Kitingan, the chief minister's controversial younger brother who had publicly complained of a gradual erosion in state rights.

The younger Mr. Kitingan, said to be the chief minister's principal advisor, was recently charged with seven counts of corruption involving some 300,000 U.S. dollars and shares in companies shipping Sabah logs to Japan. He is scheduled to be tried later this year.

The chief minister said in a written statement Saturday that he was seeking a new mandate to allow his government to continue to develop Sabah, adding that his party's record spoke for itself. "There has been record employment, investment, income and economic growth," he said, adding that Sabah's "living standard had reached a record level and there is greater unity and sense of belonging among the people."

The chief minister's critics in Sabah's opposition accuse the PBS of fostering cronyism and favouring ethnic Kadazans, who are mostly Christians, over Moslems and ethnic Chinese. Several top PBS officials have been investigated for alleged tax evasion and corruption, but party sources say the probes amount to nothing more than federally sanctioned harassment.

Sources in Dr. Mahathir's United Malays National Organisation, which dominates the National Front, say the prime minister favours a sharing of power between Moslems and non-Moslems in Sabah, a proposal rejected by the PBS which claims a multi-racial membership.

At its final sitting Friday, the state legislature passed amendments to the state Constitution allowing only the leader of the party with a simple majority to be appointed chief minister after elections. Mr. Kitingan said that the amendment would prevent a repetition of the 1985 abortive bid by USNO leader Mustapha Harun to force the governor to swear him in as chief minister although the PBS had won a majority of seats.

Thai Foreign Minister Opens Chancery Building

BK3105064790 Kuala Lumpur International Service in English 0600 GMT 31 May 90

[Text] Thailand is confident that the peace talks on Cambodia in Tokyo next week will achieve some concrete results. Its foreign minister, Tan Sri Sitthi Sawetsila says his country will try to make a move toward realizing a cease-fire in the 11-year-old conflict. He said this to reporters after opening the new chancery building of the Royal Thai Embassy in Kuala Lumpur. He added that Thailand has the consent of the other ASEAN countries to (?play a role) in the peace talks.

Cambodia

Sihanouk Comments on Talks With Hun Sen

BK3105010190 Bangkok THE NATION in English 31 May 90 p 9

["Excerpts" of interview with Prince Norodom Sihanouk in Bangkok by a "group of Thai journalists" on 29 May]

[Text] [Question] In what capacity will you attend peace talks in Tokyo where you said you will sign a peace agreement with Phnom Penh Prime Minister Hun Sen?

[Sihanouk] I will finally have to sign the agreement as the president of the Coalition Government of Democratic Kampuchea, because to sign it under my name as a prince, or even as the former monarch of Cambodia; or the president of Cambodia is of no importance.

[Question] Could you tell us about the peace agreement reportedly signed by all four warring factions?

[Sihanouk] In general, we've mentioned a ceasefire, self-restraint among the four factions during the period after the ceasefire, the introduction of an international control mechanism (ICM) to monitor the ceasefire, a reconvening of the Paris conference to set up the ICM and the establishment of a Cambodian national supreme council. The agreement is now only in the form of a draft. The official text will be finalized and signed in Tokyo by only me and Hun Sen.

[Question] What will happen after the Tokyo meeting?

[Sihanouk] The Paris conference will be called upon to set up the ICM with close contacts with the UN secretary general. I think it will take at least a year before the ICM will be sent to Cambodia to persuade the factions to stop fighting. Then the UN will go to Cambodia to organize general elections. I think it will take another year before the situation in Cambodia will be stabilized for elections.

The setting up of a national supreme council will take place soon after the Tokyo meeting. It will comprise six representatives from the Hun Sen side and six from the Sihanouk side. And I will be elected chairman of the council.

So the Tokyo meeting will be a historic one in the sense that it will be the first time the factions have formally agreed on a ceasefire.

[Question] Will the period of self-restraint be effective immediately after the signing ceremony?

[Sihanouk] Yes, of course. The royalist army will stop fighting. For the other factions, I think that they should abide by the spirit of peace in the agreement. But I cannot guarantee that they will be absolutely peaceful during the period before the introduction of the ICM.

So, the period will be somewhat dangerous. We have to make the period between the signing of the peace agreement and the reconvening of the Paris conference as short as possible.

[Question] Will there be troop movements during the self-restraint period?

[Sihanouk] Unfortunately, during the period, there is no ICM to prevent troop movements or to even prevent them from fighting.

[Question] Will a UN peacekeeping force be sent to Cambodia?

[Sihanouk] No. Since Vietnam and Hun Sen rejected the idea, there will be no UN peacekeeping force, only an ICM. But the UN will play a role during the transitional period and will supervise the general elections.

I think, either during the Tokyo meeting or after the meeting, in Bangkok or in Paris, that there should be a written decision on the UN's exact role.

[Question] It seems understood that the UN will have no big role in Cambodia.

[Sihanouk] Yes, I agree with you. The other side, Hun Sen and Vietnam, don't want any UN authority with administrative power. It runs contrary to Australia's proposal and even to the Permanent Five (the five permanent members of the UN Security Council). It seems finally that Thailand will have the last word in this matter.

[Question] When will the cessation of military aid to the Cambodian factions be implemented, right after the reconvening of the Paris conference or after you stop fighting?

[Sihanouk] I have to confess that I cannot give you a good answer to the question. I think that Thailand is more competent to answer it because it is Thailand's initiative to start the peace process. I can tell you that the peace agreement to be announced in Tokyo is very vague. It doesn't touch on concrete details of the agreed matters.

[Question] You said during a recent interview that you will be in Tokyo only to sign the peace agreement, but will not negotiate with premier Hun Sen. Are you going to stick to the statement?

[Sihanouk] It is not necessary to have discussions with Hun Sen. It will be better to let General Chawalit (Deputy Prime Minister Chawalit Yongchaiyut) run things, Sihanouk and Hun Sen talking will harm the peace process. It is better to have all factions listen to Thailand which can be trusted 100 per cent.

[Question] Since you have signed the peace agreement, do you have any indications of what China's response will be.

[Sihanouk] I just met Khieu Samphan (leader of the Khmer Rouge) last Thursday. He approved the draft and was very pleased. So I could tell it means that China is also satisfied with the peace agreement, China and the Khmer Rouge are always together.

[Question] As you have said, you have left it to Thailand to handle the peace process. Does it mean that you are now abandoning your role as "bridge" among the four factions?

[Sihanouk] No. I can ensure you that there is no hostility, apart from ideological conflicts, between me and Hun Sen. On the contrary, I can embrace everybody, Hun Sen, the Khmer Rouge, the KPNLF [Kampuchean People's National Liberation Front]. So I am the only man who can serve as a bridge among the factions hostile to each other.

Sihanouk Message Criticizes Hun Sen 'Group'

BK3005131790 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 30 May 90

[Message of HRH Samdech Norodom Sihanouk to the Buddhist clergy and people of Cambodia; place and date not given—recorded]

[Text] I, Norodom Sihanouk, your Samdech Euv, would like to give a special message today for the information of all beloved and venerable Buddhist monks, elders, uncles, aunts, brothers, sisters, and children, all my compatriots, as follows:

As all of you in the country know very well, I always take every advantage and chance available to send you improvised special messages over the Radio Voice of the Khmer without any time to edit them. This has been an old habit and a tradition by which we have cordially communicated with one another as members of the same great family since before, as in the era of Sangkom Reas Niyom [Sihanouk's ruling party between mid-1950 and 1970] when we used to be happy together enjoying total independence, genuine neutrality, and full territorial integrity. This is the way I used to make contact with all venerable and beloved Buddhist monks and people, all my children, as you always call me your samdech euv. This radio communication is therefore not strange at all. When I have some questions, some worthy issues to tell you, I never fail to do so in order to keep you up to date.

Today, I would like to tell you more about the following facts that you already know: the group of Hun Sen, Heng Samrin, and Chea Sim and their Marxist-Leninist pro-Ho Chi Minh party in Phnom Penh whose regime is a satellite, a lackey of the SRV—namely, of the Hanoi Vietnamese—have never ceased to cast aspersions on me. All Buddhist monks and compatriots, young and old, men and women alike inside Cambodia are very well aware that the newspapers of the Hun Sen-Heng Samrin-Chea Sim gang of the Khmer Communist Party as well as their radio and propaganda machines on the international stage, in the world, and first of all in France, have launched a smear campaign against me, utterly slandering and reviling my name and prestige. Whatever I have done, even my most correct actions and those most beneficial to the nation have been blackened and interpreted as wrong, as the worst, and even as treasonous to the nation. Hun Sen, who himself is a traitor, has instead accused Sihanouk of treason. A Sihanouk, who has always defended national independence and who has fought to recover national independence and territorial integrity of our country from the French colonialists, U.S. imperialists, and other aggressors; a Sihanouk, who in the name of our Cambodian Throne wrenched back independence, peace, and territorial integrity for the nation; who has always served the nation and who was supported by all our compatriots during the Sangkom Reas Niyom era; who with the help of the whole nation under Sangkom Reas Niyom made all kinds of great achievements in the nation's service and for the sake of the people's livelihood; who defended the motherland and brought progress to all fields such as education by building countless numbers of primary schools, secondary schools, colleges, and universities; who built large and small hospitals everywhere in Cambodia, even in the most remote region; who enjoyed the cooperation of the people and Buddhist clergy, working together for national construction and joyously engaging in manual labor to bring about achievements in all fields, such as agriculture, politics, communications, the construction of road networks, including two railroads from Phnom Penh to Kompong Som, for instance, and the construction of many airports, such as the ones in Kompong Som and Siem Reap; who built all the material foundations in support of the nation and made achievements in all other sectors, such as industry, economy, social welfare, culture, and all the other infrastructure!

In short, what facilities would the Hun Sen-Heng Samrin gang use today if Sihanouk and Sangkom Reas Niyom had not built them in the past?

During the Pol Pot era, the achievements of Sangkom Reas Niyom were destroyed and only the few that survived the destruction were put into service For example, the Khmer Rouge closed down universities, faculties, hospitals, and factories to prevent the nation from progressing and even forced it to regress.

During his time, Lon Nol was concerned only with waging war. He had never bothered himself with national construction. The only thing he ever cared about was to make war and traumatize the whole country.

However, during the present era, Hun Sen has proved to be very boastful. He now gloats that under his rule there are factories, airports, universities, hospitals, and so on. Let me ask who founded these facilities? It was Sangkom Reas Niyom and Norodom Sihanouk, and not Hun Sen, Heng Samrin, Chea Sim or the coconut-husk Vietnamese! It was made possible thanks to independent and neutral Cambodians united under the Throne of the Kingdom of Cambodia.

Hun Sen, Heng Samrin, and Chea Sim should not be too mischievous. Do not try to mislead our Cambodian people who are the masters of the country. Our people are not dumb. They are intelligent enough to find justice for their Samdech Euv. They clearly know that the factories Hun Sen are using, the schools that Hun Sen, his administration, and his Communist Party are using, and everything they are using in Cambodia at present all come from Sihanouk, from Sangkom Reas Niyom. The propaganda apparatus of the Marxist-Leninist pro-Ho Chi Minh Communist Party and Hun Sen-Heng Samrin gang should not boast that it is they who are the founders. They are merely thieves who have usurped the achievements made by Sangkom Reas Niyom and Norodom Sihanouk. Do not try to mislead opinion, Hun Sen, Heng Samrin, and Chea Sim! Do not think our people are naive. They still remember the glorious and prosperous past.

In the past, our country was independent. Now it is a slave of the Vietnamese who have been nibbling away at our territory and looting our Cambodian riches. There are not many antiques left in the Angkor region now because the Hun Sen-Chea Sim-Heng Samrin clique has sold them, the country, and the heritage to their bosses, the Hanoi Vietnamese.

We all know very well the nature of these Vietnamese. They are vicious and are used to swallowing up our land. They have never in a million years helped us and brought prosperity to our country. What they want is merely to rape our country and plunder our land. Presently, they have annexed much of our land. They have changed our Cambodian border and infringed on our territorial integrity. They are trying little by little to turn our present-day Cambodia into the Kampuchea Kraom that they had annexed historically when they attacked us, using brute force and bigger and stronger armies, and causing Cambodians much misery and suffering. After defeating us, they seized our land, Kampuchea Kraom. They have now emerged from Kampuchea Kraom to present-day mainland Cambodia in order to grab more Cambodian territories, such as Kampot, Takeo, Prey Veng, Svay Rieng, Kompong Cham, and Kandal where we can cite Kaoh Thom District as an example, and Kratie, Mondolkiri, Ratanakiri, and Stung Treng Provinces.

The Vietnamese have gobbled up our territories in all the provinces that have common borders with Vietnam. They have also introduced their men into these areas. In terms of troops, there were as many as 200,000 Vietnamese troops to lord over the Cambodians. Now, there are over 40,000 troops in the country. They have claimed that they have completely withdrawn all their troops, but the reality is something else. All my children and the Buddhist clergy know very well that there are Vietnamese troops throughout Cambodia. They have been attacking the patriotic soldiers who are making sacrifices to preserve the independence and territorial integrity of Cambodia, as in the past. These Vietnamese have been trying to make people believe that they have all left Cambodia, right up to the last man. But in reality, there are more than 40,000 Vietnamese troops in Cambodia at present. No less than 40,000. Before, they had 200,000 men in Cambodia. Now there are over 40,000. This is not an insignificant number. On the contrary, it is a large one.

In addition, there are those called colons in French or settlers in English. There are about more than one million of them permanently settled on our land to loot our national resources. In some villages, districts, and provinces our purely Cambodian nationals have been reduced to minorities living on the margin with the Vietnamese as majorities. Even in Phnom Penh there are huge numbers of Vietnamese. In the Tonle Sap Lake, Vietnamese fishermen are catching most of our fish, edging out our own fishermen, such as our Khmer Muslims. The Vietnamese have turned our Cambodian people into second-class citizens while the Vietnamese themselves are honorable citizens enjoying complete rights.

Those in Svay Rieng Province know very well as they can see how many Vietnamese and Cambodians there are in that province. Svay Rieng has now virtually been transformed into a Vietnamese province. Some districts and villages in various Cambodian provinces have already had their names changed into Vietnamese. Neak Luong Town near Phnom Penh is now almost completely inhabited by Vietnamese. There are a few Cambodians there. The Vietnamese call it Saigon Moi, New Saigon or Little Saigon. With some laissez-faire one day, Cambodia will completely become a second Kampuchea Kraom.

For this reason, the resistance movement under my leadership deems it necessary to carry on the struggle, for we cannot let Hun Sen, Chea Sim, Heng Samrin, Hor Nam Hong, and the like to do it their way. If we let them, it will be the end. There will be no Cambodia, there will only be Vietnam. Therefore, I would like to tell you that if they conduct radio propaganda against me and slander me in all manner it is because they are ashamed of themselves. They have contended that from 1953 when we won full independence thanks to my first royal crusade for national emancipation to the end of the Throne, to the end of Sihanouk's rule as head of state of Cambodia, because of the coup staged by the Lon Nol clique, that is, that during the Sangkom Reas Niyom era there were no achievements at all. They claimed that Sihanouk was only good at misleading the people. They had even distorted the truth about the Sangkom Reas Niyom era when our nation knew unprecedented prosperity, happiness, full independence, and territorial integrity with sovereignty over our land and maritime borders, when the international community recognized us as being in the golden age, the golden era unmatched by any other eras in Cambodia's modern history. They see that in the times of Sangkom Reas Niyom and Sihanouk, there was progress in all fields of national construction, we experienced great prosperity, our Cambodian nation was the equal of all foreign powers, and we enjoyed national independence and a great national honor comparable to that of the Angkor era.

We have known greatness under Sangkom Reas Niyom. Ever since Sangkom Reas Niyom was assassinated by the Lon Nol clique, our Cambodia has been utterly miserable and has been subjected to all sorts of indignity, becoming a stooge of many masters. We no longer have independence. For this reason, Hun Sen, Chea Sim, Heng Samrin, and the like, feel ashamed because they are the traitors who have sold the country, national independence, national dignity, land, and Cambodian interests to foreigners. Out of this utter shame, they attack Sihanouk daily, mercilessly. They have launched a deceptive propaganda campaign to mislead public opinion and our Cambodian people, trying to politically murder Sihanouk and blacken the name of Sihanouk. Because they are traitors they have been trying to discredit Sihanouk.

Three regimes already have launched propaganda attacks on Samdech Euv to ceaselessly revile and blacken Sihanouk. The Hun Sen-Chea Sim-Heng Samrin regime is doing the same thing without any letup. Nevertheless, these regimes have met with destruction and ruination. The Lon Nol-Sirik Matak regime and the Pol Pot regime have been broken. It is not going to take long for the Hun Sen regime to take after them. It is going to collapse one day because there are gods and holy things in the heavens that will be just to those who sincerely love the nation, the people, and the Buddhist clergy. They will punish those who have committed sins, that is, those who have betrayed and undermined the nation, and sabotaged its honor, independence, and territorial integrity. Such a bad regime cannot be saved. Just wait and see. You know how devastated and humiliated the Lon Nol regime was. You know how humiliated, condemned, and reviled Pol Pot has been after being driven back into the jungle. Pol Pot used to call me names and befoul me. Now people are calling him names and condemning him for me. All these persons have received retribution. It is not going to be a long time before the Hun Sen regime has to pay back for the sins it has committed in a most severe and shameful manner. History will brand it as the traitor, as the most corrupt regime with the worst social injustices.

At present, according to the international press, the world is well aware of the utter rottenness of the Hun Sen-Heng Samrin-Chea Sim regime. It is known to all that this regime is even more corrupt than that of Lon Nol, Sirik Matak, In Tam, Long Boret, and Lon Non [conspirators in the March 1970 coup d'etat that ousted Sihanouk from power]. The present regime is more corrupt than the Lon Nol regime of the Khmer Republic. Everybody knows that. No one is impressed by this regime's performance. Only a few Europeans, a few foreigners who has some benefit to gain in transactions with Hun Sen have pretended to admire it. They all know the truth. They are not sincere in their admiration. They only have contempt for it. It is only because they want to make some profits that they pretend to admire the regime.

Do not boast so much, Hun Sen. Do not think the world is naive. If they praise you now it is only because they want to fleece you, because they want to make some profits out of you. The French, for instance, have feigned friendly relations with you. This is only for their own interests. The French used to be the colonial masters and they only want to become the neocolonial masters of Cambodia and Indochina. Consequently, the French will only try to cheat you. They hate a traitor; they despise a person who does not defend independence, national honor, and national territorial integrity and who does not even try hard enough to rebuild the nation, a person who allows foreigners to block the economic and cultural heartbeat of his own nation. If the French, for example, announced that they would open an Alliance Francaise, do not mistake that as a gesture of true affection. They only want to serve their own interests. Do not be so arrogant, mister. You have been extremely arrogant and contemptuous towards Sihanouk lately.

I am ashamed of no one. I do not care if someone hates me, even if the whole world hates me. I know deep down that my compatriots are aware of the truth that Samdech Sihanouk is the symbol of national dignity, that Sihanouk symbolizes the independence and territorial integrity of the nation, and that Samdech Sihanouk has been waging a struggle all his life against colonialism, imperialism, expansionism, and especially against the Vietnamese colonialists.

It does not matter, though, as Hun Sen and Sihanouk have been called upon to sign a cease-fire agreement in Tokyo next month—that is, in June 1990. I never want my compatriots to suffer. My struggle is not aimed at bringing war. I am only struggling to stop Vietnamese colonialism, to drive the Vietnamese troops definitively out of the sacred land of Cambodia, and to prevent Cambodia from becoming a second Kampuchea Kraom. I would deplore the loss of present-day Cambodia as much as I have deplored the loss of Kampuchea Kraom. This is my struggle. Do not mistake it for the war waged by the Hun Sen clique and the Vietnamese who have invaded Cambodia. This war is the result of the Vietnamese design to gobble up our territory. For this reason, truly patriotic Cambodians must agree to struggle and struggle until full independence and full territorial integrity returns to Cambodia.

But now that the world and international opinion says that Sihanouk should meet with Hun Sen in Tokyo to sign a treaty or an accord for a cease-fire, Sihanouk will certainly accept to do this. Why does Sihanouk accept this? It is because he wants the Cambodian people to realize that Sihanouk is not the one who started the war, that Sihanouk does not like war, and that he loves peace. Sihanouk was known as the Father of Peace during the Sangkom Reas Niyom era. During the Kingdom of Cambodia, our country was widely known as an oasis of peace in the middle of war-ravaged Indochina. War was raging in Indochina, but there was an oasis of peace called Cambodia. Therefore, since the international community orders me to sign a cease-fire agreement, a peace accord with Hun Sen, I certainly will not disagree. Thus, on 2 June 1990 I am going to Tokyo. I am going to sign anything, provided there is peace and happiness for our nation, our Buddhist clergy, and our Cambodia. I would like to make it clear, however, that happiness is good, but it should be happiness with independence. The Vietnamese must restore full independence to Cambodia in order for us to have true happiness. Only when the Vietnamese returns stolen Cambodian territories and restores tampered Cambodian land and maritime borders so that Cambodia can enjoy full territorial integrity can there be true happiness.

Do not have a misconception about peace. Peace does not mean peace if one is a Vietnamese stooge. It is not peace that would allow Hun Sen and his gang to continue selling the country to the Vietnamese. We agree to peace, but this peace, we must repeatedly stress, must be accompanied by full independence and territorial integrity. Otherwise, it would be peace on paper only and not peace in the Cambodian territory. There will undoubtedly be peace in Cambodia when the Vietnamese accepts to withdraw all their troops and repatriate all their colons [preceding word in French], all their settlers and illegal immigrants [preceding words in English], and all those who have illegally grabbed Cambodian land. Cambodia wants nothing from Vietnam, but Vietnam must return to Cambodia whatever belongs to Cambodia. Only then can there be happiness.

I would like to conclude my special message at this point. Let me stress again: Peace? Yes. Signing? Yes. In Tokyo on 3 and 4 June 1990, I will sign [the peace agreement] with Hun Sen. But this peace will be on paper only. As for peace in Cambodia, we have to wait and see whether the Vietnamese agree to withdraw all their troops from Cambodia, whether the Vietnamese who have gobbled up Cambodian land accept to be repatriated. Another important thing is that there must be 100 percent independence. Land and maritime borders of Cambodia must be restored 100 percent, and our territorial integrity must be 100 percent. This means that the Vietnamese must return them to Cambodia. Cambodia has no intention of plundering anything that belongs to the despicable Vietnam, excuse me, that belongs to the Vietnamese. I do not mean to attack Vietnam. But the Vietnamese aggressors, the Vietnamese thieves are nothing but a bunch of bandits. Forgive me, I do not mean to disparage Vietnam. Cambodia wants only to be friend of Vietnam, but a friend of equal status, a friend between two independent states, a friend that can be translated in the following terms: The Vietnamese must respect the territorial integrity, territory, land and maritime borders, and independence of Cambodia and allow the Cambodian people to determine their own destiny, meaning that they be allowed to choose their own political and economic systems, to choose their own ways of conducting domestic and foreign policies, and to have their own constitution. These matters should be decided by the people who are the masters of the country. The Vietnamese, Hun Sen, Sihanouk, Son Sann, or Khieu Samphan have no place in deciding these matters for the people. The Vietnamese must respect the Cambodian people, they must give the Cambodian people a chance to decide their own destiny through general elections outside the framework of the antinational administration of the Hun Sen gang and under the supervision of the United Nations which also has the duty to verify the complete pullout of Vietnamese troops from Cambodia.

Therefore, there will be a Tokyo peace on paper. But we must wait and see whether Vietnam would return independence and territorial integrity to Cambodia. If not, there will be no peace in Cambodia because the Cambodian patriots will have to continue the struggle; otherwise, the Vietnamese would swallow all of the country and present-day Cambodia would become another Champa, another Kampuchea Kraom. Our Cham brothers from Champa and Kampucheans Kraom from Kampuchea Kraom have been relying on us and have become Cambodian citizens in present-day Cambodia. If we let the Hun Sen-Heng Samrin-Chea Sim gang sell the country to the Vietnamese, what would become of the Cambodian race? The Chams rely on us Cambodians, and if we Cambodians become like the Chams, what would happen to our race? Our Kampuchean Kraom brothers rely on us in Cambodia, if Cambodia becomes a Vietnamese province, just as Champa became Central Vietnam and Kampuchea Kraom became South Vietnam, the Cambodian race would become extinct.

Therefore, all of us must wake up, get up, and join hands to force the Vietnamese to return independence and territorial integrity to Cambodia.

That is the essence of my message today. Thank you for kindly listening to my message. Thank you.

Son Sann Calls for Compromise at Tokyo Talks

BK3105092390 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 31 May 90

[Station correspondent's interview with Son Sann, president of the Khmer People's National Liberation Front and prime minister of the National Government of Cambodia; place and date not given—recorded]

[Text] [Question] I am a representative of the radio Voice of the Khmer [VOK]. My respects to Your Excellency, president of the Khmer People's National Liberation Front [KPNLF] and prime minister of the National Government of Cambodia. VOK has already broadcast Your Excellency's recent interview with the radio for the benefit of our compatriot listeners. However, before your trip to Tokyo to attend the upcoming talks, VOK radio would like to ask you one more question. Do you have anything, in particular about a political settlement of the Cambodian problem, to tell the VOK listeners?

[Son Sann] I would like to thank VOK radio for granting me more airtime to issue this appeal to our Buddhist monks and compatriots in Cambodia. I greatly hope that my trip to Tokyo with His Royal Highness Samdech Norodom Sihanouk to meet the other two parties will certainly bring about success. We have held several meetings before and already know the objective and position of each party. Since we, the four parties, are all Cambodian, we should know what the Cambodian people want. I believe that all of us clearly realize that the people want peace as quickly as possible. Therefore, I fully hope that at the Tokyo talks, the four Cambodian parties will be able to settle by themselves this problem.

I have seen that Samdech Norodom Sihanouk has tried very hard. Last year in Paris, The Samdech put forth a five-point plan, and this year he initiated a nine-point proposal which mostly favors Phnom Penh. As The

Samdech has given the maximum advantage to the Phnom Penh party, the latter should not listen to anyone else. It must only listen to the voice of the Cambodian people and think about the future of Cambodia. Samdech Sihanouk's plan mainly serves the interests of the Phnom Penh party, so Phnom Penh should definitely accept his plan. We should have mutual comprehension with a view toward bringing success at the Tokyo meeting. Our people are anxiously awaiting a peace which we are able to quickly achieve for them.

We all consider Samdech Norodom Sihanouk Cambodia's leader, and we should by all means follow his advice to definitely resolve the Cambodian problem. If we continue to argue and do not compromise, then the four Cambodian parties, which cannot settle by themselves their own problem with honor, must rely on the big five, which has already had three meetings on Cambodia, to continue their talks and make a decision in conjunction with the United Nations on settling the Cambodian problem.

However, I believe that at this point in time, the Cambodians clearly understand their own problem. We should not bother the international community, which has been eager to help us. We should try to bring an end to this problem by ourselves, leaving the big five to guarantee our agreement at their next meeting. This is our honor and our commitment. If we are not able to arrive at a compromise, the only recourse for us is to leave our problem for the United Nations and the big five to resolve. After that, I believe our people will be unquestionably secure.

What do we want? We want our people to enjoy peace, and we want to rebuild our country. That being the case, I implore all compatriots, including the leaders of the four Cambodian parties, not to listen to any country. We should only listen to our people and know what is their wish. If we can do this, a solution will be certainly achieved by us at the Tokyo meeting.

Thank you VOK radio.

Resistance Forces Reportedly Cut Off Route Six

BK3105014890 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 30 May 90

["Special report on attack and liberation of villages and communes in Kompong Kdei District, Siem Reap Province"]

[Text] On 23, 24, and 25 May, our national resistance forces continued their attacks to cut off national Route Six from the east of the seat of Kompong Kdei District to Spean Ch'ap village, bordering Stoung District.

Our resistance forces cut off six small and large bridges and dug 24 large pits—each pit measuring two meters deep and three meters diameter—on the route. The stretch of the route from the east of the Kompong Kdei District seat to the border of Stoung District was completely cut off.

We liberated the following 15 villages: Beng, O Phlong, Spean Thnaot, Thnal Ta Siem, Ta Po Kraom, Chambak Kantrang, Prek Puos, Peam Chak, Prek Totoeng, Khnom, Khnal, Boeng Ta Muon, Spean Ch'ap, Ta Nguon, and Lveng Russei. We completely destroyed the Vietnamese-puppet office building of Lveng Russei Commune.

The attack completely cut off national Route Six from Damdek in Sot Nikom District to Prek Pras river, about 70-80 km west of Kompong Thom Town.

At present, the Vietnamese enemies and puppets are still not able to use the route for their trucks, tanks, and so on.

Some Vietnamese positions which remain on national Route Six are totally isolated. They can only contact with each other through radios or by walking. The Vietnamese enemy and puppet troops at those positions are worried about imminent attacks by the resistance forces, and they continue to desert daily.

Resistance Said To Liberate Siem Reap Township

BK3105004290 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 30 May 90

["Special report on attack and liberation of the Siem Reap District Township"]

[Text] At 0500 on 26 May, our national resistance forces unleashed a three-pronged attack against Roluos, the township of Siem Reap District, on national Route 6.

The first prong started from Ta Trav village to Don Ai village.

The second prong directed from Balang village to Kouk Trach village.

The third prong was mounted against positions from Pung Ro monastery to Roluos.

We used infantry, artillery, and commando units to raid the township. After one and a half hours of fighting, we took complete control of Roluos, the township of Siem Reap District, and we liberated the following 11 villages: Stoeng, Don Ev, Loley, Prasat Pou-teng, Ta Phouk, Tbeng, Kouk Trach, Angkroung, Thnal, Koul, and Roluos.

The villagers in the 11 villages expressed welcome and support to the national resistance forces that had liberated their localities from the grip of the Vietnamese enemies and their lackey puppets. This will allow them to begin this year's farming season.

In the attack and liberation of the Siem Reap District township and the 11 villages, our national resistance forces closely cooperated with the villagers in the military, political, logistic, and transport fields.

Thanks to the close and active multifarious cooperation from the people, our national resistance forces successfully attacked the Siem Reap District township.

This is a case in point that units on other battlefields should learn to attack the enemies in the military, political, economic, and transport fields to cut off their supply routes.

Phnom Penh Meeting Marks Ho Chi Minh Birthday

BK2805103990 Phnom Penh SPK in English 0409 GMT 28 May 90

[Text] Phnom Penh SPK May 28—A get-together was held in Phnom Penh Thursday [24 May] by the National Council of the United Front for Construction and Defence of the Kampuchean Fatherland and the Cambodia-Vietnam Friendship Association to mark President Ho Chi Minh's centenary.

Attending the function were Sam Sundoeun, member of the People's Revolutionary Party of Kampuchea Central Committee, first secretary of the Kampuchean People's Revolutionary Youth Union, and president of the Cambodia-Vietnam Friendship Association; and Min Khin, general secretary of the Cambodia-Soviet Friendship Association; and a large number of other officials and state employees.

Vietnamese Attache Vo Nguyen Viet and Counsellor Dang Phuong Hoan were also on hand.

Sam Sundoeun highly valued President Ho Chi Minh's contribution to fostering the solidarity among the three Indochinese countries in the struggle against colonialism and imperialism for freedom and national independence.

He also denounced the tripartite Khmer coalition's dark plots and moves to undermine the solidarity.

He expressed the three Indochinese countries' resolve to further strengthen their militant solidarity in the struggle for their freedom independence and democracy and for peace and stability in the region and the world at large.

Operations of Fourth Division Reported

BK2605060090 Phnom Penh Domestic Service in Cambodian 1200 GMT 25 May 90

[Text] In sweep operations launched in the dry season, forces of the Fourth Division put out of action 407 enemy soldiers, including 311 killed, 91 wounded, and five others captured; and seized two 120-mm mortars, four 100-mm mortars, six 82-mm mortars, three 60-mm mortars, three DK-75 guns, and many light weapons.

Philippines

Manglapus Says Bases To Go If No Treaty Signed

BK3005113290 Manila PNA in English 1104 GMT 30 May 90

[Text] Manila, May 30 (OANA/PNA)—U.S. military facilities in the Philippines will have to go if no treaty is signed extending their stay beyond Sept. 16, 1991, Foreign Affairs Secretary Raul Manglapus said on Tuesday [29 May].

He said, however, that the Philippines and the U.S. will hold new negotiations in June or early July this year to explore possibilities of forging a bilateral treaty.

Manglapus added that if the bases have to go, "it must be fast and no fuss for both the parties involved."

He predicted that the U.S. military bases are to be dismantled in the Philippine territory in a year's time.

If the Americans could not move out within the given time, a month extension could be given to them, he said.

The Philippines-U.S. military bases agreement expires on Sept. 16, 1991.

Where the American military bases would be transferred is still uncertain.

Manglapus Says Bases Treaty Possible by 1991

HK3105084590 Manila Manila Broadcasting Company DZRH in Tagalog 0700 GMT 31 May 90

[By Rey Arquiza from Malacanang Palace]

[Text] Foreign Affairs Secretary Raul Manglapus announced today that the Philippines and the United States will conclude a new treaty on the military bases in the country before 1991. He said that the United States has expressed its wish to maintain its bases in the country and thus, talks between the two panels could lead to a new treaty.

According to Manglapus, if the two sides conduct serious talks on the U.S. bases, he believes that a new treaty may be ready before expiration of the 1947 U.S. military bases agreement. He stressed the need for a new treaty which will have to be ratified by the senates of the two governments. He added that he did not favor protracted talks.

Manglapus also said that if an agreement is reached on the withdrawal of the U.S. bases, the bases will have to go before 16 September 1991. He said that he will meet with senators to discuss their interpretation that unless a treaty is in place for the retention of the U.S. bases, the bases will have to be removed before 16 September 1991.

However, Manglapus said it was up to the United States whether to remove its bases from the country or not. If the Americans insist on staying, there is nothing we can do, said Manglapus. He cited the Guantanamo base in Cuba where U.S. military facilities continue to exist.

Government 'Not Amenable' to U.S. Aid Offer

HK3105115390 Manila THE MANILA CHRONICLE in English 31 May 90 p 1

[By Marites Paez and Ornecio Corvera]

[Text] Foreign Secretary Raul Manglapus yesterday indicated the government was not amenable to a U.S. proposal to deliver "surplus" weapons and equipment to make up for the $169 million in aid shortfall.

"That doesn't sound like an attractive idea," Manglapus told Malacanang reporters in reaction to the offer made earlier by U.S. Defense Secretary Richard Cheney.

However, he said the proposal would have to be "threshed out" by the joint Philippine-U.S. monitoring committee formed to draw up the mechanism for delivering the U.S. aid shortfall.

Cheney wrote Defense Secretary Fidel Ramos in early May to make the offer but on condition that the Philippines pay for the depreciated value of the equipment and weapons as well as the rehabilitation and transportation costs.

Most of the surplus equipment "are not in good condition and would require repair," Cheney said in his letter.

In Butuan City, anti-bases advocate Roland Simbulan said the U.S. might succeed in extending the stay of its military facilities here beyond 1991 but this would be "unbearable, untenable and costly" for Washington.

Simbulan, chairman of the Nuclear-Free Philippines coalition and also consultant to anti-bases Sen. Wigberto Tanada, did not elaborate.

He said the arena for the anti-bases campaign would now move to both the Philippine and U.S. Senates.

Under the 1987 Constitution, any new treaty like that of the bases should be approved by a two-thirds vote in the Senate.

The same treaty-ratifying powers are also vested in the U.S. Senate, according to Simbulan.

Manglapus on Basis of 'Secured' Ties With U.S.

HK3105041790 Baguio City Mountain Province Broadcasting Company in English 0230 GMT 31 May 90

[Text] Foreign Affairs Secretary Raul Manglapus said that the R.P. [Republic of the Philippines]-U.S. mutual defense treaty can serve as the basis for secured relations between the two countries in case a new bases treaty is not reached. The foreign affairs secretary clarified, however, that the defense treaty does not mean the continued stay of the U.S. military facilities in the Philippines.

Meanwhile, the government is now formulating the guidelines for the conversion of the reverted base lands. Public Works Secretary Fiorelio Estuar, head of the special operations team on the bases conversion, said the government is ready to implement the conversion plan in the event that a new treaty is not reached between the United States and the Philippines.

Power Shortage, Bombings Worry Japan

HK2805042890 Manila BUSINESS STAR in English 28 May 90 pp 1, 3

[By Annie Fazon Angeles]

[Text] The breakdown in peace and order here as well as the power shortage will be taken up when Japan's top Manila-based aid official reports home next month for consultations with Japanese lawmakers.

Moriya Miyamoto, resident representative of the Japan International Cooperation Agency (JICA), told THE BUSINESS STAR that Tokyo was getting increasingly apprehensive over reports on killings, bombings and daily brownouts. He said he had been instructed to make a first-hand account of conditions prevailing in the Philippines.

Miyamoto, the local head of JICA—the official government agency tasked to implement Japan's international cooperation program—is scheduled to report to Tokyo for high-level talks with members of the Japanese Diet from June 11 to 19. The volume of technical grants and development programs sponsored by JiCA here depends highly on the peace and order factor, he admitted.

Miyamoto assessed that the country's peace and order situation was generally "still tolerable." He gladly noted that so far, no JICA representative nor any Japanese tourist had been involved in any of the recent skirmishes.

He said it was the high incidence of crimes, from bank robberies to plain thievery, which more than the political instability has caused worries in Tokyo. Miyamoto felt the spate of bombings in the last two weeks was tied to the exploratory talks on the future of United States military bases here.

As for the power situation, he said JICA would help by speeding up feasibility studies on the Calaca Coal-Fired Thermal Plant upgrading project and the Coal-Fired Thermal Electric Power Development program which the agency is supposed to partially fund.

Miyamoto said the effects of the power shortages could be "more devastating" than the failed coup attempt last December. A survey conducted among the 300 member-firms of the Japan Chamber of Commerce and Industry one month following the failed coup had indicated that an overwhelming 90%still had confidence in the Aquino government and had decided to stay in the country.

Miyamoto added, however, that the power shortages which recurred last February could paint a totally different picture to the Japanese businessman.

Without going into details, he said JICA was definitely bothered by the power problem. But he did bare that another survey among Japanese businessmen here would be conducted very soon to gauge more specifically the effects of the outages on their operations.

When he visits home, Miyamoto will submit to the Japanese government situation reports of the Japanese embassy and the Japan Chamber of Commerce and Industry. JICA's technical field experts all over the country are due to meet on June 4-5 to assess the situation in the respective regions to which they are assigned.

The Japanese government has already warned its expatriate community in the Philippines to take precautions against the growing spate of crimes and terrorism in Metro Manila. Most alarming to them were the ambushes of high-ranking military officials, the Boston Bank robbery and the blasting of a Far East bank and Trust Co armored car.

The bombings in Makati have also been a source of uneasiness.

At the same time, some Japanese field officials reportedly have received threats from the outlawed New People's Army that they were on the communist hit list for allegedly supporting the anti-insurgency drive. True or not, the reports had a tremendous impact in Tokyo, considering that Japan is the biggest contributor of official development assistance (ODA) to the Philippines.

From 1988 to 1989, JICA provided more than 30 billion ($196 million) yen in grants for projects which included the construction of primary and secondary school buildings; establishment of the Soils Research and Development Center; and bridge construction in rural areas.

Miyamoto said Japanese expatriates and tourists had already been advised not go out late at night. JICA officials and their family members here number about 350. Incoming Japanese tourists average some 17,000 monthly.

Aquino Says Aid Session Planned for Washington

HK2905120390 Manila PHILIPPINE DAILY GLOBE in English 29 May 90 p 6

[By staff writer David Jude Santa Ana]

[Text] President Aquino said yesterday that the 1990 pledging session for the Philippine Assistance Program (PAP) will be held in Washington this September. She also debunked speculations that several donor countries are planning to back out of the program.

In her weekly press conference in Malacanang, Mrs Aquino said the government decided to request that the pledging session be done in Washington rather than in Japan since all the donor representatives will be there to attend the meetings of the World Bank and the International Monetary Fund.

"The most likely venue will be in Washington because it is the World Bank that chairs the pledging session," she said. "Since it is in September when the IMF and World Bank hold their meetings, it would be most practical to just have the pledging session (there)."

"So it would save all of them (donor representatives) time and it would really be the most practical venue," she added.

Meanwhile, Finance Secretary Jesus Estanislao said the government hopes to raise another $3.5 billion this year in the September pledging session but admitted that some donor countries may reduce their commitments due to domestic financial problems.

Estanislao, who is also chairman of the PAP coordinating council, said the government is making sure the Philippines will not be affected by the donor countries' budget cuts.

He emphasized that the government is intent on building up the country's economy as both he and the President did not want that the country, is always dependent on aid.

Mrs Aquino debunked rumors that Japan will be reducing its commitment to the PAP this year due to the increase in violence and attacks against foreign nationals.

Mrs Aquino said that when she hosted a dinner for former PAP chairman Roberto Villanueva last week, Japanese Ambassador to the Philippines Tsuneo Tanaka assured her of Tokyo's commitment to the program.

"His government was very pleased with the way we used the funds that they have committed to the PAP," she said.

Most of the $1 billion pledge by Tokyo last year, she said, have been committed to ongoing project as well as those already implemented.

Indonesian Information on CPP Welcomed

HK2905115990 Manila PHILIPPINE DAILY GLOBE in English 29 May 90 p 6

[By David Jude Santa Ana]

[Text] President Aquino directed Foreign Secretary Raul Manglapus yesterday to coordinate with Indonesian authorities in curbing the international arms procurement activities of the outlawed Communist Party of the Philippines (CPP).

In her weekly press conference in Malacanang, the President said her government welcomes any assistance or information on the CPP's activities, here and abroad.

Mrs. Aquino's statement came after the AGENCE FRANCE PRESSE reported over the weekend that the International Forum on Indonesia, an Indonesian think tank closely identified with the military there, has information detailing the arms and fund network of the CPP.

The report said the Forum is willing to give the report to the Aquino government, emphasizing it wants to help the Philippines crush the CPP as the communist movement poses a threat to the stability of the Asean.

"If indeed the Indonesians have information with regard to the purchase of arms by the CPP-New People's Army [NPA]' Mrs Aquino said, "we would certainly welcome such information."

Mrs. Aquino also said she would ask Manglapus to look into the possibility of establishing normal diplomatic relations with communist North Korea, in an apparent bid to put an end to Pyongyang's alleged support to the CPP-NPA.

According to the AFP report, the Indonesian think tank pointed to PYongyang as one of the major weapons suppliers of the CPP-NPA, which includes China, Japan's extremists Red Army and Libya.

Ismail Hasan Matareum, a United Development Party (PPP) deputy and dean of the faculty of law of the Tarumanagara University, said Indonesia and possibly the four other Asean members would want that support stopped.

He pointed out that a communist government in Manila would cause damage to the region, similar to Cuba's impact on its Latin and South American neighbors.

Mrs. Aquino said the reported planned visit to Pyongyang by two congressmen, Reps. Jose de Venecia and Miguel Romero, did not mean the Philippines is already formalizing ties with that country.

Palestinian Envoy Assures Noninterference

HK2905114790 Manila THE MANILA CHRONICLE in English 27 May 90 p 4

[By Bert Castro]

[Text] The state of Palestine yesterday assured the Philippine government that it would maintain a hands-off policy from Filipino separatist movements in the south like those spearheaded by the Moro National Liberation Front (MNLF).

In a press statement, newly accredited Ambassador of Palestine Muhammad Hasan Hamduna said he had informed President Aquino that his country would not interfere "in the internal affairs of the Philippines" and (would) respect its territorial integrity and its sovereignty as a nation."

Hamduna also hinted in an interview that his government will support the Philippines in the forthcoming conference of Islamic countries wherein the MNLF will seek support in its attempt to separate some territories in the South.

Ambassador Hamduna was confident that an international conference will be initiated soon by the United Nations to defuse the worsening conflict between the Israelis and the Palestinians specially in what he described as the Occupied Territories."

In that conference, Hamduna said, the five permanent members of the UN Security Council "will participate with the PLO in searching for a more acceptable solution to the MIddle East conflict.

He stressed that the PLO is the "sole, legitimate representative of the Palestinian people, participating on an equal footing with all parties to the conflict," in that UN sponsored conference.

The Palestinian ambassador also condemned the recent killings of Palestinians during a demonstration, precipitated by the death of seven Palestinian workers in their workplaces. He did not elaborate.

But he blamed the "continued intransigence of the Israeli government" for the worsening situation. He hinted in his press statement that the Israeli government had even ignored "all the diplomatic initiatives that the Palestinian leadership has taken."

In his recent meeting with President Aquino, Hamduna had informed her of "the continuing struggle of the Palestinians" by waging what he called "the 29-month old Intifadah."

For her part, the Chief Executive lauded the diplomatic initiatives launched by the Palestinian leadership headed by President Yasir 'Arafat.

She also stressed the importance of the Palestinian initiatives to the global peace process.

Ileto Emphasizes Armed Forces Modernization

HK2805042690 Manila PHILIPPINE DAILY GLOBE in English 28 May 90 p 6

[By David Jude Sta. Ana]

[Text] National Security Adviser Rafael Ileto emphasized yesterday the need for the Armed Forces to modernize its equipment in view of the ongoing arms buildup in the Asean region.

Ileto admitted a continued presence of the United States facilities may contribute to such a modernization drive but emphasized the government can tap other sources to build up the Philippine military.

"We have to build up our Armed Forces so that we will have a modern army that will not be behind the armies of our neighbors," Ileto said.

He admitted the Philippines "is a little bit behind" when compared to the military capabilities of the other Asean countries. He also batted for a grand military parade on Independence day that will showcase the Philippines' military might to boost the morale of the soldiers and the people.

"If you come up with a ragtag army in a parade, that doesn't look so good," he said. "A show of force is good for our own morale and the military as they will be proud of their units."

The founder of the Philippine Army's Scout Rangers admitted a lot of work has to be done in modernizing the Armed Forces, stressing this can be best done on a staggered basis.

The Philippines lags behind Indonesia, Brunei, Malaysia, Singapore and Thailand militarily and is admittedly not able to counter external threats. At present the Philippines is concerned with counter internal threats, such as the insurgency, rebel soldiers and the Muslim secessionist movement.

A possible arms race in Asia looms as China, Vietnam, Malaysia and the Philippines are expected to argue on who has the rightful claim to the oil-rich Spratly Islands. Both China and Vietnam had clashed over the islands in the past and the Philippines maintains a garrison at Commodore Reef to safeguard its claim.

Ileto admitted the continued presence of the U.S. military facilities help stabilize the situation in Asia as well as provide a security blanket to the country. He emphasized, however, that this does not mean the country will forever remain dependent on the United States, saying that the government is fully capable of modernizing the Armed Forces.

"The security provided by the bases can contribute to the modernization of our forces but I'm saying that this is the only way (to modernize)," he said. "We should have a good Armed Forces that can be respected by the country and the countries around us."

Aquino To Extend State of Emergency Beyond June

HK3105083990 Manila Manila Broadcasting Company DZRH in Tagalog 0700 GMT 31 May 90

[Text] President Corazon Aquino will not lift the state of national emergency in the country even though her emergency powers will expire on 8 June. The president, speaking through her spokesman Adolf Azcuna, asserted that an emergency situation continues to prevail in the country. She declared a state of emergency in the country in Proclamation No. 503 following the bloodiest coup attempt last December.

Azcuna explained that the state of national emergency will prevail even though the president will lose her authority to issue national emergency memorandum orders under Republic Act 6826.

Earlier this morning, the president and Senate President Jovito Salonga agreed to convene a special session of Congress to tackle Malacanang's demand for extension of the period of emergency powers. Instead, the so-called resolution on sin taxes will be given priority in the legislature.

Meanwhile, the president also rejected calls to impose sanctions on AFP [Armed Forces of the Philippines] acting Chief of Staff Major General Rodolfo Biazon for revealing that a new coup attempt is in the offing.

Azcuna also said that Biazon made the remarks as an analysis of intelligence reports received by the military. The demand for sanctions against Biazon stems from the fact that his remarks sowed fear among businessmen and led to a drop in the stock market.

Further on Reported June Coup Attempt

Ramos Denies Reports

BK3005115890 Manila PNA in English 1144 GMT 30 May 90

[Text] Manila, May 30 (OANA/PNA)—Philippine Defense Secretary Fidel Ramos on Wednesday [30 May] denied reports that there would be a right-wing military putsch next month.

The reports, which quoted Acting Military Chief Maj. Gen. [Major General] Rodolfo Biazon on Tuesday, were still inconclusive and would only "unduly alarm the people," he said.

Ramos said General Biazon's statement "was the result of analysis of various intelligence reports that have gotten into the hands of the Armed Forces and the intelligence community."

He said the reports received by the military were based on the collation of "bits and pieces of information" and analysed by the intelligence community.

The analysis, he added, "is more or less a composite picture of what might be happening at this stage but not quite specific about anything."

"General Biazon's report is not conclusive," he stressed.

Official Says Biazon 'Misquoted'

HK3105073590 Quezon City DWDD Defense Department Radio in Tagalog 0600 GMT 31 May 90

[From "Military News" program]

[Text] Capcom [Capital Regional Command] Chief Brigadier General Marino Filart today confirmed that Armed Forces of the Philippines acting chief Major General Rodolfo Biazon was misquoted as saying a new coup d'etat is in the offing.

In a press briefing at the Capcom headquarters at Camp Bicutan, Taguig this morning, Gen. Filart said that Gen.

Biazon's message was not well understood by some reporters. Filart also stressed that the Reform the Armed Forces Movement [RAM]-Soldiers of the Filipino People [SFP]-Young Officers Union [YOU] has no capability to launch an offensive against the government at the moment. However, he admitted that the rebel soldiers can conduct limited terrorist activities to sow discord in the country.

In another development, Filart criticized the Philippine Long Distance Company [PLDT] for not acting on the Capcom's requests for additional telephone lines. According to Filart, such inaction directly affects the operation of his office, notably in responding to emergency situations. At the same time, Filart said that the shortage of telephone lines at Capcom is the reason for Capcom's failure to respond to emergency calls from the public. He added that Capcom presently only has five emergency telephones, with only three of them operational.

Aquino Says Military Prepared

HK3005100190 Manila Manila Broadcasting Company DZRH in Tagalog 0700 GMT 30 May 90

[By Dick Sinchongco from Malacanang Palace]

[Text] President Corazon Aquino today assured the nation that it is safe from any attempts by rebel soldiers to overthrow the government. Speaking through Presidential Spokesman Adolfo Azcuna, the president affirmed that the military is prepared to move to eliminate the rebels. Azcuna also said that the government is taking all necessary steps to foil any coup attempts.

Malacanang made the statement following a revelation by acting chief of staff Major General Rodolfo Biazon that rebel soldiers belonging to the RAM-SFP [Reform the Armed Forces Movement-Soldiers of the Filipino People] are to launch another coup in June.

Meanwhile, National Security Adviser Rafael Ileto dismissed the alleged coup threat. He added that the information gathered by the military is still under careful study. On the other hand, Defense Secretary Fidel Ramos said Biazon's revelation was merely an analytical statement.

At present, security in all military camps and public utilities in Metro Manila has been tightened in the light of the recent spate of violence and terrorism in the city.

Defense Secretary Holds Weekly News Conference

HK3005132590 Quezon City DWDD Defense Department Radio in Tagalog 0628 GMT 30 May 90

[Weekly news conference by Secretary of National Defense Fidel Ramos with the defense press corps at the social hall of the Department of National Defense, Camp Aguinaldo, Quezon City; live—in English; italicized portions in Tagalog]

[Excerpt] [Moderator Charrie Villa of Channel 2] [passage omitted] Sir, do you have any announcement for us?

[Ramos] Yes, good afternoon, everybody. *Good afternoon to all.* I am glad to see all of you here in spite of the rumor.

For your information, the Department has just released a department order offering 100,000 pesos each for four individuals believed to be in the Pampanga area or somewhere in Central Luzon who are the principal suspects in the killing of Airmen John Raven and James Green of the U.S. Air Force. There are actually five suspects as identified by witnesses, but the fifth one is still a John Doe. We will give a copy of this to the PIO [Public Information Office] to be distributed to you.

Also, we would like to provide you a copy of the Supreme Court decision which upheld the validity of the establishment of the checkpoints. This has been brought up by some concerned citizens and, I think, some members of the media in view of the new effort being undertaken by the Armed Forces and the Integrated National Police [INP] principally here in the national capital region due to the series of killings in the Caloocan City area and the adjacent towns during the last two weeks. And it is very clear here that the Supreme Court, the majority of them, under the opinion written by Justice Teodoro Padilla, upheld the orders of General de Villa at the time to establish checkpoints and for certain security measures to be taken when there is a need for it in order that public safety may be assured. So, we will give this to the PIO also.

Thirdly, again we are providing you with the list of waivers of court martial jurisdiction so that these can be tried in civil courts that we have recommended to the president. Now, as has been our experience, the president invariably approves this recommendation for waivers of military court jurisdiction so that the civil court can take over. There are six individuals here but the principal one is Second Lieutenant Arnel Escoval of the PC [Philippine Constabulary] in Camarines Sur who was suspected of killing a student, Rodney Jueta, last March 16, 1990 in Naga City.

And so, Charrie, we are ready for your questions.

[Villa] Thank you very much for the information, sir. First, I think it is Buddy Burgos of MANILA STANDARD who will ask the first question.

[Burgos] Good afternoon. *Acting AFP [Armed Forces of the Philippines] chief Major General Rodolfo Biazon announced yesterday that military intelligence has received information of a rebel plan to launch a coup d'etat in June. Do you have any comment on Gen. Biazon's revelation?*

[Ramos] *In my view—we listened to the tape of Gen. Biazon's interview—what Biazon was reporting was* the result of the analysis of various, many intelligence reports that have come into the hands of the Armed

Forces of the Philippines and the intelligence community. And as I see it, this is not a specific plan or a single plan that is contained in one document that has been newly discovered. I think you all know that intelligence work depends upon the collection of little bits and pieces of information, either solicited or unsolicited. Now, this is called the collection phase of the intelligence cycle. Now, as that collection of information or alleged information takes place, there is a simultaneous collation and systematic analysis of all of these information which would give the intelligence community more or less a composite picture of what might be happening. But this is all at that stage still not quite specific about anything.

It is not conclusive. Intelligence is never like that, unless people are caught in flagante. Now, again, we will have to make some projections based on the analysis and on the basis of these projections, the government, particularly the defense organization, the military establishment, and the law enforcement community, must take actions which are primarily preemptive in nature, but at the same time they can plan for the most probable contingency. So, it is like that. I think this is the process that Gen. Biazon was trying to describe to you. It is the result of analysis.

Now, on many occasions also, I have told you that there are three things that we have to keep in mind when we are looking at matters of this nature. First is the intention. The intention is in the mind of one person or one leader or one commander. And then it involves other people into that intention. And that group of people—and I am talking here now of the enemies of the government, the security threat against our society—evolve some kind of plan of action. So that would be the second level. But all of these, the intentions and the plans, must be matched by capability. And that is the bottom line. *Even if there is intention and plan, if there is not capability,* then they do not go through with the plan. They cannot carry out their intentions. And that is really all there is to it. And what Gen. Biazon has said is that precisely because while they had the intention in January, in February, maybe they had their plan in March, they did not have the capability. And they said: Well, we will roll it over for another time when the conditions are more favorable for our plot. And that is all there is to it.

And so, I think we have to put these things in the proper balance. Now, if it is being made to appear here—I have seen some of the reports—that as if there is a plan that is quite specific, that will take place in June. I don't think we can come to that conclusion at this stage. Now, as far as I see it, [changes thought] because precisely government, especially the Defense Department and the Armed Forces and the intelligence community, supported by the law enforcement agencies, are treating it that way—just because this interview given by Gen. Biazon, that there will be a coup in the month of June. I hope that clarifies the matter.

[Villa] [passage indistinct]

[Ramos] I just explained it, that the Armed Forces receives maybe hundreds of bits of information every day, from the field direct to the offices here in GHQ [General Headquarters], from other agencies of the government, from the private sector. It is like a big jigsaw puzzle. You try to put the different, separate, and seemingly unrelated pieces together to form a composite, to form a picture. On the basis of which you can make a logical counterplan or preemptive plan. And so, I think we are all trying to read something into Gen. Biazon's interview which may not be there, and we may be unduly alarming our people.

[Villa] Fe Zamora of PHILIPPINE DAILY INQUIRER.

[Zamora] Sir, you are talking of a big jigsaw puzzle. Considering all these puzzles now that we are seeing, [words indistinct]. Sir, what is the general picture that can come from this?

[Ramos] The general picture is that if you go outside Manila, there is none of this. It is normal. The AFP continues to engage all the enemies and is successful. For instance, the level of violence, comparing the first three months and even the first four months of 1990 with the immediately preceding four months in 1989, shows a 12 percent decrease in the level of violence coming from all sources. The AFP is also winning now, after the fourth month—this is the month for which we have complete data—the so-called firearm exchange in spite of one report that came out in the newspapers. I know that because we got an update on all of these yesterday after Gen. Biazon gave his interview to you.

In regard to civilian casualties, we also have gone down. Of course, we hope they will continue to go down because they are the innocent bystanders in this conflict. The areas around Metro Manila—I am talking about regions 3 and 4—experienced also a decrease in the level of violence. There have been increases in violence in such regions as region 11 and region 10. But that is it. In all other regions, they all contributed to the decrease of 12 percent, comparing the last four months to the preceding four months in 1989.

[Zamora] Sir, are these incidents isolated?

[Ramos] No, I am not saying they are isolated. I am saying that they do not depict the critical situation in the whole country. That is precisely why I am saying that balance must be provided because while Metro Manila is the heart of the country, there are still 54 million Filipinos that live outside Metro Manila. Okay?

[unidentified male reporter] Sir, would you say that the announcement of Gen. Biazon was premature in that it has alarmed the public?

[Ramos] Well, I really do not know the circumstances surrounding the interview of Gen. Biazon. That is why I asked for a tape so that I could listen to it. I am only saying that we must put things on balance. So that if our responsibility is to provide the proper information to the public, and that is also my responsibility as a department head, then we should do it and that is what I am doing now. Because the information that we provide somehow also affects the plans, programs, and the actions of other sectors, especially the government sector.

I will give you an example of what we found out yesterday. We asked Gen. Nazareno: Why is it that you said, Gen. Nazareno, that there is a breakdown in law and order? I think that was picked up by some of you when you accompanied him to Lucena. Gen. Nazareno denied having said that. He said that actions are being taken to prevent a breakdown in law and order. Or words to that effect. Now, the word prevent was not picked up apparently.

Now, I think there was also a query to us when we were in the Senate the other day, saying that why did Gen. Nazareno say there is a general breakdown of law and order. Now, that is something else. That is really a very serious statement. So, I clarified this in our Senate press conference two days ago. I said: If Gen. Nazareno said that, I said, I think he only means that there is breakdown of law and order in a specific place in the country. And he must have been referring to Caloocan City and two or three towns nearby where these killings have been taking place. But it does not reflect the status of law and order in the rest of the country as I have described to you.

Again, I am calling for a balance on all of these and I address this not so much to you but to the commanders who are responsible for operations in the Armed Forces of the Philippines.

[Villa] Any more questions from the floor? Yes.

[unidentified female reporter] Sir, some sectors are saying that the additional deployment of troops here in Metro Manila to counter terrorism may be seen as similar to the secret marshals to which a lot of people see as a threat. Can you assert that there will be no secret marshals out in the streets?

[Ramos] Yes, I think the secret marshals of Mr. Marcos who were people that would be in civilian clothes. That is why they are secret. And they would be fielded in buses, in markets, and jeepneys and public places where they would immediately take action in case they saw something going on. That was inimical to law and order. Of course, that also did not last very long during martial law days because even under those circumstances, the public was quite apprehensive and the plan did not work.

Now, this plan now is precisely a uniformed presence. It is not in disguise. The concept is high visibility of your public safety, law enforcement, and military units. And that is where the difference is.

Now, there is a query here—I think this came from one of you: What is my comment on Senator Maceda's report that several officials etc etc are paying revolutionary taxes to the NPA?

Alright, we have taken action on this by directing the acting chief of staff, AFP, and the chief of the PC-INP to immediately conduct a thorough follow-up of this for the purpose of pinpointing people. Because it appears on the newspaper reports that agencies are being named. Now, when we talk of DNR [Department of Natural Resources] or local government officials, naturally, anybody who is a part of the DNR or who is a local government executive in the area covered by this witness would feel alluded to and I think that would be trial by publicity. So, the action we have taken is precisely for our commanders and intelligence community to pinpoint names and personalities who may have committed these offenses. Okay?

[Villa] Last question.

[Unidentified female reporter] [words indistinct] when it comes to making comments on the situation now. Have you told them to shut up?

[Ramos] No, no, no. We are not doing that. The general rule—and this applies to each level of command: Anything that you have done or which has taken place in your area of responsibility, you are free to comment on. But where the events or the incidents have taken place in somebody else's turf, somebody else' command, somebody else's jurisdiction, well, let that other commander, not you, make the report. Now, when it is a purely military matter, then this is the prerogative of the chief of staff, AFP, to report upon. Meaning, a purely military matter that encompasses the whole military. Now, if it is something that is within the Philippine Army [PA], the CG [commanding general] PA is free to report on it. Now, if it encompasses policy that is not within the military policy or which might involve other sectors of government, then these matters must be handled very, very carefully. Maybe consultations should be made and clearances obtained from the proper authorities. There are so many proper authorities. I am one of the proper authorities for a certain level of policies. The president, of course, is the highest in the executive branch when it comes to policy. But of course there is also legislative policies in the form of laws and resolutions by Congress. So, it is like that, and you are the one who mentioned shutting up. I did not. I want that to be on record.

[Villa] So that ends our press conference.

[Ramos] Thank you very much for listening to us this afternoon.

Japanese Businessman Found Murdered

OW3105064690 Tokyo KYODO in English 0605 GMT 31 May 90

[Text] Manila, May 31 KYODO—Three unidentified men forced their way into the house of a Japanese business executive in suburban Cavite and stabbed him to death early Thursday, military and police officials said.

Maj. Andres Luistro, assistant Constabulary provincial commander, told KYODO NEWS SERVICE the Japanese national was identified as Yoshiro Nomura, 58, vice president of Nihon Garter Co. at the Cavite Export Processing Zone, in Rosario, 30 kilometers northwest of Manila.

Luistro said the motive for the 2 a.m. killing was robbery. The dead man was discovered by his two housemaids at 8 a.m.

Corporal Rosalinda Dalere said in an interview that the victim lived alone in San Isidro, Ligtong Dos in Rosario.

Luistro said the Japanese was stabbed in the chest and the back of his body. His feet were also tied with an electric cord.

His body was brought to the National Bureau of Investigation headquarters in Manila for autopsy.

Authorities said Nomura's wife and three children are to arrive Thursday.

In the central Philippines, a Japanese national working for development projects was reported missing since Tuesday.

Negros Occidental local government official Tina Lapres said Fumio Mizuno disappeared while inspecting a sericulture project near Murcia, 480 kilometers south of Manila.

Initial investigation by the office of the local governor shows that armed men abducted Mizuno.

Communist New People's Army rebels have warned that they would take action against Japanese nationals working in aid projects which are involved in government-sponsored counterinsurgency operations.

On Thursday, authorities also reported that three Japanese nationals have been missing since December last year.

Attacks on Japanese To Be Investigated

OW3105132990 Tokyo KYODO in English 0855 GMT 31 May 90

[Text] Manila, May 31 KYODO—The Philippine Government vowed Thursday to investigate a rash of attacks against Japanese as officials expressed apprehension that the wave of killings and kidnappings may scare away foreign investors.

President Corazon Aquino's chief spokesman Adolfo Azcuna told palace reporters the Government is "doing all it can" to protect the safety of foreign nationals here, but added: "We cannot give a 100-percent guarantee as no country can."

Azcuna said the Philippine Government will "look to the bottom" of the incidents, which include the killing early Thursday of a Japanese business executive in suburban Cavite Province, and the apparent kidnapping Tuesday of a Japanese aid worker in Central Negros Occidental Province.

In the first attack, three unidentified men early Thursday morning forced their way inside the home of a Japanese business executive in suburban Cavite and stabbed him to death, military and police officials said.

Maj. Andres Luistro, assistant constabulary provincial commander, told KYODO NEWS SERVICE the Japanese businessman was identified as Yoshiro Nomura, 58, vice president of Nihon Garter Co. at the Cavite Export Processing Zone, in Rosario, Cavite, 30 kilometers northwest of Manila.

Luistro said the motive for the incident, which occurred about 2 am, appeared to be robbery. Nomura's body was discovered by two housemaids at 8 am.

Luistro said Nomura, whose feet was tied with an electric cord, was stabbed in the chest and back.

Nomura's body was brought to the National Bureau of Investigation Headquarters in Manila for an autopsy.

Authorities said Nomura's wife and three children are scheduled to arrive Thursday.

Nomura had lived alone in San Isidro, Rosario, according to Corporal Rosalinda Dalere.

In an incident two days earlier, a Japanese man working as an overseer of several aid projects in the central Philippines was reported missing, apparently abducted by a band of armed men.

Negros Occidental local government official Tina Lapres said Fumio Mizuno disappeared while inspecting a sericulture project near Murcia, 480 kilometers south of Manila.

Communist New People's Army rebels have warned Japanese nationals against assisting government-sponsored counterinsurgency efforts by participating in Japanese-funded aid projects.

Authorities reported Thursday that three Japanese nationals have gone missing since last December.

Cebu Businessmen Said Plotting Destabilization

HK3105085190 Manila Manila Broadcasting Company DZRH in Tagalog 0700 GMT 31 May 90

[Text] Some businessmen in Cebu are reportedly recruiting soldiers from Mactan Air Base in order to launch a destabilization plot against the current administration. This was revealed by Air Force chief Gerardo Protacio.

Protacio said the recruitment activities were reported by the soldiers themselves and added that steps have been taken to stop the businessmen's activities. He said the fact that the soldiers reported the businessmen's activities to the authorities is an indication that the soldiers are not blinded by money and promises.

Protacio made the revelation one day after acting chief of staff Major General Rodolfo Biazon instructed the military to arrest anyone recruiting men for a plot against the government. The arrest of plotters and recruiters is the only way to address the problem, said Biazon.

According to the Air Force chief, he is puzzled by the possible motives of the businessmen whom he refused to identify. He added that he was still gathering evidence against these men. However, he did mention that the businessmen are active in politics in Cebu.

Protacio also agreed with the assessment by some top military officials that the rebel soldiers no longer have the capability to launch destabilization efforts as they did in December. He explained that reports of new coup plots are intended to confuse the military and the people. Protacio further contended that contrary to rumours, Mactan Air Base was not a stronghold of the rebels during the December coup because almost all pilots, ground crews, and security personnel in the air base did not join rebel leader Brigadier General Jose Commendador. Protacio said he has banned businessmen suspected of recruiting soldiers from entering Mactan Air Base. However, he specified that this was a temporary measure pending ongoing investigations and collection of evidence against them.

Catholic Bishops Call for Cessation of Violence

HK2905073790 Manila Manila Broadcasting Company DZRH in Tagalog 0700 GMT 29 May 90

[Text] The Catholic Bishops Conference of the Philippines [CBCP] today appealed for the prompt cessation of violence all over the country. It also called on the people to help the government maintain peace in the country.

The call was issued by CBCP Chairman Archbishop Leonardo Legazpi in the light of a series of violent incidents which erupted recently in Metro Manila. Legazpi admitted that one way to achieve peace in the country is for the government to appeal for peace from all groups, leftist and rightist alike.

At the same time, Legazpi also urged the holding of dialogues between the government and all sectors in the country in order to address the serious problems confronting the country, especially the question of poverty. Legazpi stressed that the problems cannot be resolved by the government alone. The support and assistance of the people is needed to achieve national progress.

Concepcion Hints Cartels Behind Attempted Attack

HK2905080590 Manila Manila Broadcasting Company DZRH in Tagalog 0700 GMT 29 May 90

[Text] Reform the Armed Forces Movement-Soldiers of the Filipino People [RAM-SFP] personnel were not behind an assassination attempt against Trade Secretary Jose Concepcion. This clarification was given by Concepcion himself to dispute contentions by some authorities that rebel soldiers may be behind the forced entry into his residence at Forbes Park in order to kill him.

In an interview with Deo Macalma, the trade secretary believed that the attempt may have been perpetrated by businessmen who hold a grudge against him for his firm stand against cartels and manipulation of the cement, garment, and other industries.

Here is Secretary Concepcion's statement:

[Begin Concepcion recording] Some people claimed that it was the work of the RAM but in my view, it may not be so. I believe that it may be the handiwork of people whose toes I have stepped on. I have stepped on many toes in my fight against graft and corruption. There are those in the garment industry. We have closed down many factories and their allocations alone reach some 10 to 27 [figures as heard] million dollars. And in textiles, there is the so-called tax credit anomalies which we exposed, investigated, and have pressed for back payments worth millions. And in the cement industry and many others. In my opinion, I have pushed through with my work and I ignore whoever they send to see me. [end recording]

Secretary Concepcion also revealed that President Aquino has offered to provide increased security for him by the Presidential Security Group but he turned down the offer. Providing increased security to the secretary now is Major General Rodolfo Biazon, acting chief of staff.

Commission on Appointmants Confirms Positions

HK3005100790 Manila Manila Broadcasting Company DZRH in Tagalog 0700 GMT 30 May 90

[Text] The Commission on Appointments has confirmed the president's appointment of Cayetano Paderanga as Economic Planning Secretary and director general of the National Economic Development Authority [NEDA]. Paderanga, a former University of the Philippines economics professor, was named to the posts following the December coup.

Also confirmed by the commission were three new brigadier generals of the Air Force and two commodores of the Navy. They are Air Force Brigadiers General (Reynaldo File), (Senaldo Candin), Felipe Albano Jr., and Commodores Federico Loydin and Armando Madamba.

Earlier, the Commission on Appointments also confirmed the promotion of 20 generals including Philippine Constabulary-Integrated National Police chief Cesar Nazareno. It is expected to act on the appointments of 12 sectoral representatives named by the president.

Commission Promotes 20 Generals 23 May

HK2405045390 Manila PHILIPPINE DAILY GLOBE in English 24 May 90 p 7

[Text] Two major generals and 18 brigadier generals were confirmed by the 25-man Commission on Appointments [CA] in a one-hour plenary session yesterday.

The brief confirmation proceedings were made possible by a preceding screening conducted by the CA committee on national defense headed by Sen. Mamintal Tamano.

Only Sen. Ernesto Maceda cast the lone abstention in the case of oe nominee, Maj. Gen. Manuel Dizon, AFP [Armed Forces of the Philippines] Southern Command chief.

Maceda explained that since there were two separate ongoing investigations of the alleged "payola" involving junior officers of the 5th Infantry Division in the pay-roll of then Cagayan Gov. Rodolfo Aguinaldo, he could not vote for Dizon's confirmation until he was cleared of any involvement.

Also confirmed besides Dizon were Maj. Gen. Cesar P. Nazaeno, PC-INP [Philippine Constabulary-Integrated National Police] chief, Commodore Bayani T. Matic, and Brig. Gens. Dominador A. Catibog Jr., Vicents S. Garcia Jr., Wilfredo P. Villanueva, Amaury A. Evangelista, Alfredo L. Filler, Roger H. Deinla, Oswaldo P. Villanueva, Emiliano D. Templo, Virgilio M. David, Adam M. Jimenez, Manuel L. Lanuza Jr., Ruperto A. Ambil, Eduardo M. Fernandez, Antonio S. Nale, Edgardo E. Batenga, Homer C. Capulong and George S. Moleta.

3.9 Billion Pesos Cut From CARP Budget

HK2905121190 Manila THE MANILA CHRONICLE in English 29 May 90 p 1

[By staff member Arleen Chipongian]

[Text] Government will slash P3.9 billion [pesos] from the P7.7 billion cash budget allocation of the problematic Comprehensive Agrarian Reform Program (Carp) and will use the money to fund other "priority" projects.

The Department of Budget and Management [DBM] said it was cutting Carp's budget because of the slowdown in the program's implementation.

Carp, meant to be a centerpiece program of the Aquino Administration, has been plagued by scandals and controversies. The program's implementing agency, the Department of Agrarian Reform, has had several changes in leadership.

A source at the DMB said the diverted funds would be used for projects such as the Rice Action Program, which needs about P2 billion to improve rice production, and the early release of Second World War veterans' benefits, scheduled for disbursement next year.

The source explained that by diverting Carp's budget government was also controlling its budgetary cash deficit.

This deficit is expected to shoot up to as high as P29 billion this year because of growing expenditures, among which are the P5 billion oil subsidy fund and the P5.1 billion Central Bank liabilities, which government will assume.

The budget official said that the P3.9 billion slashed from Carp this year would be added onto the 1991 Carp budget.

Carp's budget comes primarily from the proceeds of the government's privatization program, plus some foreign assistance in the form of aid and grants. Carp's 1990 budget expects to receive about P6.7 billion in sales proceeds from the sales of assets held by the Asset Privatization Trust and other government agencies.

The DBM insider said that, with the division of funds, expenditures for Carp would be reduced while no new cash outlay would be allocated to priority projects.

A major Carp project for the period from 1988 to 1993 is land acquisition, for which, P3.1 billion was allocated this year.

During the first pledging session of the Philippine Assistance Program (PAP) in Tokyo last year, former Finance Secretary Vicente R. Jayme said that about $10 billion in foreign funds were for the effective implementation of Carp in its first five years.

A separate pledging session for Carp scheduled in Manila for late 1989 did not push through. Former PAP chairman Roberto T. Villanueva said it was difficult to ask for foreign financial assistance for Carp "until the government has put its act together on the program."

12.2 Billion Pesos for Infrastructural Projects

HK2805044290 Baguio City Mountain Province Broadcasting Company in English 0220 GMT 28 May 90

[Text] President Aquino said that 12.2 billion pesos has been set aside for infrastructural projects in the rural areas to accelerate countryside development. The president said yesterday she has given instruction that the government's multi-purpose [word indistinct] program, launched only a year ago and already reached 9,000 barangays, should cover all the country's more than 40,000 barangays by 1992.

Speaking on her weekly radio program Magtanong sa Pangulo [Ask the President], the president said she has also directed that the country's [word indistinct] highways network linking all provinces in regions be made 100 percent paved for all weather by 1992.

Military Claims 12 YOU Leaders Identified

HK2905121590 Manila THE MANILA CHRONICLE in English 29 May 90 p 6

[By staff members Johanna Son and Marites Paz]

[Text] The Armed Forces yesterday said that it had identified 12 hardcore leaders of the shadowy Young Officers' Union (YOU) even as it asked media to stop "giving credence" to the "alphabet soup organization" which it also described as an "outlaw group."

Maj. Gen. Rodolfo Biazon, acting AFP [Armed Forces of the Philippines] chief of staff, told Senate reporters that the YOU—which the military says is the same as the Reform the Armed Forces Movement [RAM]—has 40 leaders.

Of the 40, however, only 12 are "really committed in ideology," Biazon said but did not give names. "The others are in it either for a ride, are confused or whatever."

"We have the names of these people," said Biazon, adding that there was a "continuing manhunt" for leaders of rightist rebels as well as communist insurgents.

Many of the rightist leaders, including YOU, are military men absent without official leave (Awol) or facing charges in court, Biazon said.

Defense Secretary Fidel Ramos likened the group to an "alphabet soup organization" of RAM intent on bloating its actual strength.

Ramos said that just as the Communist Party of the Philippines uses various organizations to carry out propaganda and project an image of strength, the RAM also uses the same pattern to be "acceptable to the public."

"We all know there are dozens of alphabet soup organizations of the NDF [National Democratic Front]," he said. "They are manned by a handful of people with very active mimeographing machines and (access to) media..."

Both Ramos and Biazon urge Filipinos not to believe stories about YOU.

Of media, Biazon said: "Why should they give credence to the pronouncements of somebody who is hiding behind a pseudonym like that of the pronouncements (of) the senior officials in this government? Why take the preoccupation of publishing anything that they write, signed or unsigned, and although it is signed goes under a pseudonym?"

Ramos also clarified that the breakdown in law and order reported by Constabulary chief Maj. Gen. Cesar Nazareno was limited to Kalookan and the northern parts of Metro Manila, and not the entire country.

"It was an unfortunate choice of words," he said.

Biazon said the military was continuing its drive against crime and terrorism in the metropolis, both from rightist and leftist forces aiming to topple the government.

"We cannot promise a 100%stoppage of (these) activities considering our other problems," he said, but pledged. "Your government is going to be preserved."

In Malacanang, President Aquino defended the fielding of a 2,000-man anti-terrorist team to augment at least 15,000 troops already assigned in metro Manila, even as she allayed fears that such a move could create a climate of fear and give way to abuses.

Mrs Aquino also dismissed as "pure intrigue" allegations made by the YOU that the wave of bombings and killings of military and police personnel was a prelude to an American-backed coup led by Ramos.

Rebel Soldiers Suspected in Malabon Bank Robbery

HK3005133990 Manila Manila Broadcasting Company DZRH in Tagalog 1200 GMT 30 May 90

[Text] The RAM-SFP [Reform the Armed Forces Movement-Soldiers of the Filipino People] is suspected to be behind the robbery of one armoured car belonging to the Prudential Bank in Malabon yesterday. This was learned from investigators of the Malabon police who disclosed that the suspects used M-16 armalite rifles and M-203 grenade launchers. The kidnappers took 1 million pesos from the car. A worker of Cosmos Bottling Company was wounded by stray bullets fired by the robbers at the armoured vehicle. However, none of the security guards on the armored vehicle were wounded.

Chinese Businessmen Said Supporting Rebels

HK3105085590 Manila Manila Broadcasting Company DZRH in Tagalog 0700 GMT 31 May 90

[Text] A Communist Party of the Philippines-New People's Army [CPP-NPA] document seized recently in an encounter revealed that some Chinese businessmen in Angeles City are involved in some illegal activities of the CPP-NPA. Lieutenant Colonel Julius Yarcia, Angeles metropolitan district command [metrodiscom] chief, claimed that the document listed the names of Chinese businessmen who reportedly extended support to the party. Yarcia made the disclosure during a meeting attended by station commanders under the jurisdiction of the metrodiscom.

Yarcia told the commanders that the Chinese businessmen's support poses an obstacle in the authorities' attempt to stop and thwart the illegal activities of the rebels. He added that the support also serves to help sustain the rebels' operations.

The names of the Chinese businessmen supporting the communist rebels were not yet disclosed.

Suspected Rebel Captured Inside Sangley Point

HK3005101590 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 30 May 90

[Text] A suspected New People's Army Sparrow Hitman was captured by Philippine Air Force men after he was found inside the restricted aircraft parking area at Sangley Point air base in Cavite City. According to a report by Police Colonel Jesinto Campana, chief of the Cavite city police, to Lieutenant Colonel Necitas Katigbak, Cavite Constabulary commander, the suspect was identified as George Laurenaria, 28, a resident of San Isidro, Sorsogon and temporarily living in Capote, Las Pinas, Metro Manila.

Laurenaria was arrested by the alert men of the 15th Strike Wing of the Philippine Air Force headed by Second Lieutenant Nestor Dimayuga. He was found standing under a T-28 Tora Tora aircraft. Lt Dimayuga told police investigators that he was supervising his men when he saw the suspect. A few minutes later, Brigadier General Epineto Logico, wing commander of the 15th Strike Wing, arrived to confront the suspect. It was then that the suspect was found to be a Sparrow Hitman. The air force general still did not know how the suspect entered the base.

As of broadcast time, the authorities are still interrogating the suspect.

Communist Leader Denies Casualties Report

HK2905060190 Manila PHILIPPINE DAILY INQUIRER in English 29 May 90 p 11

[By Joey Ybanez]

[Text] Pagadian city—A communist guerilla leader has denied military claims that the Front Monterosa of the New People's Army [NPA] in Western Mindanao suffered 67 casualties in an encounter with government troops last February in Anunang Village in Bonifacio, Misamis Occidental.

This developed as top military officials in the region stood pat on their claim that the front was "neutralized" and suffered heavy casualties during the encounter.

Orden Garitan, commanding officer of the NPA striking force under Front Monterosa, said in an interview with the Mindanao-based Media Mindanao News Service (MMNS) somewhere in Mount Malindang, refuted the claim of 1st Army Division chief, Brig. Gen. Cesar Fortuno, that the front has been neutralized because of heavy casualties. [as published]

Garitan told newsmen during the press conference that since September last year, only one NPA combatant in the front has been killed. He identified the slain guerilla as a certain Carlito, a platoon leader who was wounded during an encounter with some 40 government troops in Anunang Village last February and later died of tetanus.

Another NPA field commander, known only as Dyony Sumilang, also told newsmen during the press conference that the front had initiated two encounters with government troops.

Sumilang said 21 soldiers were killed in the two clashes. He said the rebels also captured one machine gun and some 20 high powered rifles.

Recently, Gen. Fortuno said the Army would now shift its efforts toward combating the Moro Islamic Liberation Front since Monterosa has already been neutralized.

Monterosa's guerilla commanders however, acknowledged that the military had managed to set foot on two of their four districts, but such loss is temporary.

"The military will have to pull out of the area eventually," the MMNS quoted the guerilla front leaders as saying.

Monterosa covers five cities and 20 municipalities.

Military officers said, the Malindang range which lies between the boundaries of Zamboanga del Sur, Zamboanga del Norte and Misamis Occidental, served as the base of the front.

Monterosa is said to be the strongest of the seven guerilla fronts operating in Western Mindanao and has been the object of intensive military operations.

According to military officers, the guerilla front was almost wiped out when some three thousand government troops staged an all out offensive last year that netted 37 guerilla dead, over running makeshift hospitals and also recovering thousands of assorted ammunitions.

Junior military officers told the INQUIRER that the front was responsible for the series of ambushes of military men last year. In the biggest incident, heavily armed rebels ambushed two trucks loaded with troops from the 44th Infantry Battalion in Barangay Siloy, Calamba Misamis Occidental last February 1989 and killed 11 troopers on the spot and wounding several others.

Biazon Says Tribal Supporters Desert Noble

HK2905140590 Manila Manila Broadcasting Company DZRH in Tagalog 1300 GMT 29 May 90

[Text] Five thousand tribal supporters of former Lieutenant Colonel Alexander Noble have reportedly deserted from his mountain hideout near the boundary of Surigao del Sur, Misamis Oriental, and Agusan del Sur. This was revealed by Acting Armed Forces Chief of Staff Rodolfo Biazon who added that Noble has gone to the forests of Bukidnon to avoid abduction by his former supporters.

Noble was the former chief of staff of the Presidential Security Group who fled to Mindanao after the failure of the December coup attempt. He had been tasked by the coup plotters to attack Malacanang but failed in his mission.

Earlier, the military reported that Noble was protected by some 5,000 Manobos and Higaonon tribesmen. The tribesmen had foiled attempts by government forces to capture Noble. A group of soldiers who were also expert mountain climbers has been charged with the task of pursuing Noble.

However, the report did not say if Noble still had any followers with him.

Trade Secretary Confirms Drop in Investments

HK2905122190 Manila MANILA BULLETIN in English 29 May 90 p 25

[By Ellen S. Marcelo]

[Text] Investments in projects registered with the Board of Investments (BOI) has tumbled.

The sharp decline in capital flow was confirmed by Trade Secretary Jose S. Concepcion, Jr. who said yesterday that investments in BOI-registered projects fell to P[peso]4.6 billion in April.

Last month's investment level was way off the P7.32 billion reported in March and the P7.1 billion it posted in April last year.

Concepcion warned that the next six months will be crucial, and if "we will not be able to turn the tide, I think it would be difficult to attain the $4.4 billion investment target for the year and catch up with our Asean counterparts."

He lamented the fact that the Philippines now lags behind its counterparts in the region, particularly Malaysia and Indonesia, which are now the favorite investment havens of Taiwan and Japan.

He said that along with the prevailing political and infrastructure setbacks faced by the country, the "infighting and bickerings among the legislative, executive and other sectors" have sent wrong signals to prospective foreign investors in the Philippines.

He pointed to the serious delays suffered by two major foreign-backed projects, namely, the $370 million Luzon Petrochemical Corp., which already held back on its investment here and the P900 million Cavite Industrial Estate project of Marubeni Corp. of Japan and the state-owned National Development Co., due to what he claimed infighting within the legislative and executive branches of the government.

"We're back to square one and if we only can forget politicking and concentrate on productive activities, we can stem possible flow of investments away from the Philippines in favor of Malaysia and Indonesia," he said.

For the first four months of the year, the BOI reported that total investments amounted to P33.58 billion as against P32 billion in January to April last year.

Of the amount, equity investments accounted for P18.19 billion. The amount consisted of P8.34 billion infused by local investors and P9.85 billion by foreign nationals.

The five major foreign investor-countries included Japan, with P4.7 billion; Canada, P1.1 billion; Taiwan, P851 million; Hong Kong, P772 million; and the United States, P510 million.

During the four-month period, the BOI approved 904 projects, which are projected to generate employment for 54,300 workers.

On a sectoral basis, the BOI approved a total of 413 manufacturing projects involving P14.4 billion investments; 11 mining projects worth P7.32 billion; 22 tourism-oriented ventures amounting to P4.62 billion; and 4 industrial estate projects costing P4.41 billion.

Increased Generator Imports Widen Trade Deficit

HK2505114790 Manila MANILA BULLETIN in English 25 May 90 p 25

[By Raul Valino]

[Text] Increased importations of power generators pushed the country's trade deficit in the first quarter to $877 million, a deterioration of 98.4 percent from last year's comparative gap of $442 million.

Import payments, placed at $2.82 billion, continued to outpace export earnings of $1.94 billion during the first three months.

Expenditures on imports, the Central Bank [CB] said yesterday, were 27.2 percent higher than last year's $2.22 billion. In contrast, revenues from exports grew by just 9.4 percent from $1.77 billion.

In March alone, the CB stated, imports rose by 22.3 percent to 41.04 billion. The National Statistics Office the figure was a record high.

All major commodity groups increased values during the quarter, according to the CB, with capital goods representing almost one-half or 48.8 percent of the $603 million upturn in total imports.

The increase in capital goods imports to $759 million, the CB explained, reflected largely the accelerated demand for power-generating and specialized machines, essentially generating sets, and aircraft, ships and boats.

Arrivals of raw materials and intermediate goods expanded by $193 million to $1.35 billion as a result of higher purchases of semi-processed raw materials, particularly chemicals, textile yarn, fabrics and made-up articles, the CB added.

Increased importations of unprocessed commodities such as wheat, corn, cotton and other inedible materials were also noted.

The CB also reported that the higher volume and price of petroleum crude resulted in the $62-million increase in the total value of mineral fuels and lubricant imports to $399 million.

Consumer goods imports, meanwhile, grew by $57 million to $253 million. The CB attributed this to increased orders for passenger cars and motorized cycles and food and live animals chiefly for food.

The slight increase in export earnings was traced to the rise in sales of manufactures, such as garments, electronics and chemicals, by $202 million, and coconut products, by $35 million.

Thailand

Article Views 'Principal Policy' Toward SRV

BK2905143990 Bangkok MATICHON in Thai 28 May 90 P 17

[Article by "Khon Thai," a pseudonym, entitled: "Think Once More About Thailand's Policy Toward Vietnam."]

[Text] If we go back into Thai history, we can see that, apart from Burma, Vietnam was also a big rival of Thailand, to the east. After Vietnam successfully liberated itself from Chinese domination over thousands of years, it tried to expand its influence to the western areas of Cambodia at a time when Thailand was trying to make Cambodia its buffer state.

The first clash between Thailand and Vietnam in Cambodian territory dates back to the reign of Thailand's King Rama II. The competition between Thailand and Vietnam to gain influence over the Cambodian state continued for more than a decade until France invaded Indochina and occupied Vietnam. Then Thailand and Vietnam took a break in their competition for a while as both faced threats from Western imperialism.

Thailand and Vietnam began to confront each other again after the imperialist France and the United States withdrew from the Southeast Asian region. Vietnam tried to unify the three Indochinese states—Vietnam, Laos, and Cambodia—while Thailand wanted Cambodia to be its buffer state free from Vietnamese influence. The occupation of Cambodia by 200,000 Vietnamese military troops, which equalled the total number of all Thai troops, was therefore assessed by the Thai military and strategic specialists as a serious threat to the security of Thailand, because it looked as if Thailand shared a common border with an aggressive Vietnam.

Thailand then set its principal policy toward Cambodia: "Cambodia must be made a neutral state, a buffer state between Thailand and Vietnam, and all Vietnamese troops must be pushed out of Cambodian territory." Thailand has made full efforts to launch rounds of campaigns to create fronts against the expansion of Vietnamese influence. In the process, Thailand tried to make all the ASEAN member countries and China join hands in detering the Vietnamese influence. The establishment of the Coalition Government of Democratic Kampuchea [CGDK] and the success in inspiring the international community to condemn and penalize Vietnam's violation of the United Nations Charter and international law over the past 11 years have been a considerable achievement for Thai policy.

International pressure on Vietnam played a great role in making Vietnam unable to revive the country after the Vietnam war. Finally, Vietnam had to announce a withdrawal of its troops from Cambodia before the end of September 1989. However, there still is doubt if Vietnam has really pulled out all its troops from Cambodia. This is because Vietnam did not allow verification of the troop withdrawal by an efficient international mechanism.

Anyhow, there are Thai concerns over the current moves for Thailand to resume friendly relations with Vietnam with an aim toward economic interests. Relating to this line of thinking, two points must be brought into account:

First, on the political point of view: Thailand and the other member countries of the ASEAN have jointly launched economic isolation campaigns against Vietnam for more than a decade. They have spent great effort and time in convincing the world community to join. Thailand's resumption of friendly relations with Vietnam will only create confusion on Thai policy among Thailand's friends and its fronts against Vietnamese imperialism.

It will also mean that Thailand now accepts what our ancestors tried to refuse: That is having a common border with Vietnam. This might happen if the Thai resumption of friendship is not carried out in an orderly manner—after a comprehensive political settlement of the Cambodian problem.

Moreover, an important possible repercussion of a Thai resumption of friendship with Vietnam while Chinese-Vietnamese relations have not been improved is a possible rift between Thailand and China, which regards Vietnam as a security threat on its southern border. Should there be a rift between Thailand and China, the revival of the Communist Party of Thailand would be highly possible. The dissolution of the Communist Party of Thailand in the past decade resulted from China's adjustment of its policy toward changes in Indochina following the Vietnamese occupation of Cambodia.

Second, on economic policy: If Vietnam is allowed to re-enter the international community, a big worry is that Vietnam will become a strong economic competitor of Thailand. Vietnam is rich in natural resources such as coal—the best quality coal in the world—oil, and marine resources. Although Vietnam is far behind others in technology at present, it is able to produce a large quantity of rice and is ranked number 3 rice exporter in the world after Thailand and the United States.

At present, Thailand has suffered a lot of problems concerning Vietnam's efforts to compete for market by selling rice at lower prices. Doubled with the diligence and patience of the Vietnamese people, there is a strong possibility that Vietnam will become Thailand's economic rival.

From both the political and economic viewpoints mentioned above, it is therefore noteworthy to consider what the normalization of relations with Vietnam will mean to Thailand—whether it will bring positive or negative results.

Chawalit To Visit Tokyo To Aid Cambodia Talks

BK3105013190 Bangkok THE NATION in English 31 May 90 p 4

[Excerpt] Deputy Prime Minister Chawalit Yongchaiyut said yesterday he will visit Tokyo to help facilitate the peace talks of rival Cambodian leaders as top resistance leader Prince Norodom Sihanouk warned that his ally the Khmer Rouge may sabotage the negotiations.

Prince Sihanouk reportedly asked Chawalit to make his presence felt in Tokyo so all the four rival factions would end the meeting with a joint statement on "voluntarily self restrained use of force", a ceasefire as a step towards a comprehensive solution, the formation of an international control mechanism to supervise and verify withdrawal of Vietnamese troops and the establishment of a bi-party Supreme National Council to symbolize national sovereignty and unity.

Chawalit, who met Sihanouk at Central Plaza Hotel Tuesday night, said yesterday he would be in Tokyo just to observe the peace talks and "see what can I be helpful to friends". [sentence as published] "I will not interfere in their talks," he said.

The deputy premier said he asked Sihanouk Tuesday [29 May] night whether he had any concerns on the Tokyo meeting, scheduled for June 4-6.

He did not say what was Sihanouk's response but the prince told reporters he wanted Chawalit to present a peace plan for the four Cambodian leaders—himself, Phnom Penh Premier Hun Sen, resistance premier Son Sann and Khmer Rouge leader Khieu Samphan—to endorse at the meeting. [passage omitted]

Chatchai Meets Vietnamese Defense Minister

BK3005154990 Bangkok Domestic Service in Thai 1200 GMT 30 May 90

[Text] At today's news briefing at Government House, Prime Minister's Office spokesman Suwit Yotmani reported on the meeting between Prime Minister General Chatchai Chunhawan and Vietnam's Deputy Defense Minister General Doan Khue. He said the two people exchanged views on matters related to the strengthening of bilateral ties.

The prime minister has indicated Thailand's readiness to cooperate with Vietnam in efforts to expand investment, economic, trade, and tourist development. He noted the private sector's interest to invest in various projects in Vietnam, including cooperation in agriculture, fishing, and the setting up of canned food factories.

The Vietnamese deputy defense minister said Vietnam has an investment law and that Vietnam is ready to open the country to foreign investors. On the Cambodian peace settlement, he thanked Thailand for the contributions it made to the peace settlement, and for playing the leading role in bringing leaders of the Cambodian factions together for peace negotiations. It is hoped that Thailand's effort would produce results when the four Cambodian factions meet soon in Tokyo.

The prime minister explained that the reason Thailand proposed Japan as the venue for the meeting was because Japan wanted to contribute toward achieving peace in Cambodia. Japan is also a member of the third subcommittee for the reconstruction of Cambodia. All parties are now working together to solve the problem. This will pave the way for a cease-fire as well as for a future meeting on Cambodia in Paris.

Meanwhile, Prime Minister's Office deputy spokesman Likhit Hongladarom reported at the news session that, according to Deputy Prime Minister General Chawalit Yongchaiyut, who was assigned by Gen. Chatchai to be the coordinator in the Cambodian peace bid, Cambodian factions leaders trust the prime minister and the deputy prime minister. The Cambodian leaders think that Thailand's leaders have a good understanding of the situation and the problems of the region, and are determined and sincere about solving the problem.

He said that the issues to be discussed among the Cambodian factions at the coming meeting include the cease-fire, the setting up of the national supreme council, and elections. It is hoped that their discussions will be successful and that an agreement will be reached among them. That would be the first written document of its kind in 15 years since the Cambodian crisis has broken out.

Chatchai, Advisers Urged To Halt Cambodia Role

BK3105081890 Bangkok NAEO NA in Thai 31 May 90 p 5

[Editorial: "Prince Sihanouk's Remarks"]

[Text] Prince Sihanouk has said frankly for the first time that he does not trust General Chatchai Chunhawan's advisory team but does trust General Chawalit Yongchaiyut and his advisers. Because of this short yet clear remark, Gen. Chatchai and his advisers at Phitsanulok Residence should either reevaluate their past performance and reconsider their role or try to quickly achieve an understanding with the prince.

On several occasions earlier, we remarked that a complete reversal of the Cambodian policy has negated the Foreign Ministry's decade-old principle of opposing the Vietnamese occupation of Cambodia. We even warned that some government officials were meddling in another country's internal affairs, damaging the Foreign Ministry's working system, and stalling the military's Cambodian operations.

Regrettably, no one has listened to our warning. Gen. Chatchai and his advisers have persisted in their campaign to restore peace in Cambodia, reasoning that the Thai people along the border cannot live peacefully without peace in Cambodia.

A Cambodian leader has now confirmed that the direction taken by the Thai leader and his advisers is wrong because Vietnam has benefited. This is why Prince Sihanouk had refused to meet with Hun Sen, the Vietnamese puppet leader, in Tokyo but relented when asked by Gen. Chawalit, explaining that he "trusts Gen. Chawalit."

Gen. Chatchai and his advisers should end their role in the Cambodian issue. Any future action regarding Cambodia should conform with recognized channels led by the Foreign Ministry in coordination with the Armed Forces. If Gen. Chatchai and his advisers have any suggestion, they can forward it to the agency concerned for consideration.

Gen. Chatchai and his advisers have spent two years on a settlement of the Cambodian problem and Prince Sihanouk has succinctly summed up their performance. We hope that from now on the Thai Government leader and his advisers will stop taking over other people's jobs. It is good to demonstrate a desire to restore peace in Cambodia, but it is wrong to upstage the responsible agencies.

Chawalit, Chamlong Address Corruption Seminar

BK2905033390 Bangkok BANGKOK POST in English 29 May 90 pp 1, 3

[Text] Deputy Prime Minister General Chawalit Yongchaiyut yesterday told a seminar that the corruption problem could bring about "the end of the nation." He vowed to go after graft and resign if he could not suppress it.

Gen Chawalit, who is responsible for overseeing the Counter Corruption Commission [CCC], and is also Defence Minister, was speaking at a seminar on "Corruption and the Survival of the Country" at Thammasat University.

The former Army commander-in-chief said he felt quite ashamed of corruption in Thailand because it destroyed the honour of the country. "When I go overseas I feel quite ashamed because everyone knows about the corruption here," Gen Chawalit said.

"In other countries when the Prime Minister is corrupt he would have to resign. "But in Thailand, when the Phu Yai (elder) is corrupt, others resign in his place," Gen Chawalit said without elaboration.

If the corruption problem were not solved, Thailand could not survive, because corruption would spread and destroy every branch and sector of society. "It can bring about the end of the country," Gen Chawalit said. He said corruption was endemic in countries where the democratic system was not yet "complete". Thailand was such a country and graft could bring about its end.

But if a country were completely democratic it could weather corruption and handle it through legal prosecution. Thailand, he said, had to strive towards making its democratic system a complete one, where the whole of the people had the power.

The former Army chief had previously proposed that a system of representational election of candidates from various occupational groups and careers be adopted to screen MPs [members of parliament] for a national government. He said he had told Prime Minister Chatchai Chunhawan and the Cabinet that he would do everything possible to suppress corruption and that they could ask him to do anything.

"The only thing I ask for in return is that when there is a corruption problem they have to use their power to deal with it strictly, otherwise we cannot last," Gen Chawalit said.

He said he had told the CCC board to talk less and do more. "I told them that the problem with the Little Duck company case [involving termination of advertising contract with Mass Communications Organization of Thailand] should not be talked about so much. They have to really act. "It's really a shameful problem and the more people talk about it the more ashamed I feel," Gen Chawalit said.

He said he also told the CCC board they had to be able to suppress corruption and if they could not, they should not stay in their posts and should let somebody else more capable come in to tackle the problem. Gen Chawalit said he would not stay on in his present ministerial posts if he could not tackle the corruption problem.

Addressing the same seminar, Bangkok Governor Chamlong Simuang said he felt that the public had attached little importance to the problem of corruption, judging from the small turnout at yesterday's gathering. "If members of the public do feel indifferent towards the corruption problem, it is a very worrying sign," he said.

The Governor, who is leader of the Phalang Tham Party, said corruption was a difficult problem to deal with because people involved in it did not produce receipts.

Corrupt politicians will make every effort to cover up their currupt practices," Major-General Chamlong said. "Nobody can produce any evidence against them although sometimes it was widely known who among the Cabinet were corrupt."

Vietnam

NHAN DAN Article Analyzes U.S. Policy

BK2905140190 Hanoi Domestic Service in Vietnamese 1430 GMT 28 May 90

[26 May NHAN DAN Article: "U.S. Policy Aimed at Taking Advantage of Perestroyka"]

[Text] U.S. Secretary of State James Baker, who is both a member of the Bush administration and an active promoter of the Bush adminstration-initiated strategy of post-containment, delivered a speech at the New York-based Council on Foreign Relations on 16 October 1989. After reiterating President Bush's call for joint efforts to go beyond the policy of containment toward the Soviet Union, Mr. Baker asserted: The United States now has a historic opportunity to deal with the Soviet Union because it can go beyond the strategy of containment to make it difficult for the course of changes in U.S.-Soviet relations to be reversed.

In a speech entitled "Perestroyka and U.S. Foreign Policies," Baker said: The United States can take advantage of perestroyka because it is possible that this policy will make the Soviet Union act in a way more beneficial to our interests—meaning U.S. interests. Mr. Baker defined four areas of activities that, according to the U.S. State Department, can make the Soviet Union act to the advantage of U.S. interests, hoping that these activities can help the United States figure out and easily affect Soviet policy and thus make it difficult for the Soviet Union to cope with contradictions between new thinking and old practices.

First of all, Mr. Baker reiterated President Bush's statement by raising the issue of working toward an integrated and free Europe, regarding this as an objective to be fulfilled by the United States and making it public that U.S. allies within NATO have all agreed on an overall program to achieve this goal. Baker disclosed that as part of this program, an accelerated timetable has been devised to help reach an agreement on reduction of conventional forces in Europe. This reduction would guarantee the United States and NATO a more effective deterrence and such an agreement would help redraw Europe's security map and drastically control the Soviet military presence in all of Eastern Europe.

According to Washington, within the framework of an integrated and free Europe, the normalization of relations between and national reconciliation of the two German states—the FRG and GDR—must be carried out on the basis of Western values and with a final result showing a national oneness with the community of democratic European countries.

Baker also held that the formation of an integrated and free Europe would involve not only the issues of arms control and arms reduction, but also the issue of human rights. This means that Washington and NATO can take advantage of the human rights issue to oppose the Soviet Union and East European countries.

Secondly, Mr. Baker stressed the need to resolve regional conflicts in areas where he said the situations had apparently become very complicated, reiterating the following statement of Soviet President Gorbachev: More than ever before, we need favorable outside conditions for carrying out the great revolutionary task of effecting renovation in the Soviet society. Baker pointed to the efforts to resolve regional conflicts in Central America, Afghanistan, Cambodia, and South Africa. Nonetheless, prompted by the hope of resolving those conflicts from a position of strength, Baker stressed the need for the United States to figure out Soviet contemplations in such a way as to make Moscow chose a progressive course of action while seeking to resolve regional conflicts.

Third, regarding the control of weapons, the U.S. secretary of state said that U.S. efforts to control weapons focussed on reducing those factors which encouraged unexpected attacks rather than on reducing arms deployed. To implement this scheme, Baker intended to discuss only issues related to such weapons as tanks, artillery, armored cars, and the SS-18 missiles—weapons that the Soviet Union and the Warsaw Pact are in a better position to deploy according to Western appraisal—at negotiations on conventional forces in Europe and on strategic weapons. This scheme and the SDI program are aimed at providing conditions for the United States and NATO to gain military superiority over the Soviet Union and the Warsaw Pact.

Moreover, Baker also asserted that the United States is ready to protect its vital interests regardless of consequences, that the United States must maintain an appropriate military budget that meets the requirements for U.S. security, and that the United States must heighten vigilance and force Moscow to adopt a constructive attitude for comprehensive cooperation in its relations with the United States.

Fourth, Baker advocated accelerating glasnost and democratization as well as speeding up perestroyka from within because—as President Bush has repeatedly stressed—perestroyka is beneficial to the United States. Secretary of State Baker admitted that through discussions and exchanges of views, the United States encourages the development of pluralism in the Soviet Union. He has attempted to find ways and means to accelerate restructuring in the Soviet Union in accordance with Washington's wish, that is, to openly exert pressure on the Soviet Union. He said: I believe that perestroyka can be successful if there are no increasingly drastic measures against the free market and freedom of speech. Baker also said that the United States is ready to provide technical aid for some aspects of economic reform in the Soviet Union. He openly said that in reality, attempts to seek mutual interest are focussed on accelerating changes within the Soviet Union.

For countries in East Europe, Mr. Baker pointed out that the United States approves a process of ensuring the right to freedom for these nations and encouraging these countries's reforms to enable them to proceed further in a European framework. Baker stressed: Our aim of providing aid must be carefully scrutinized, it must be made in conformity with true reforms in countries concerned.

These reforms—as repeatedly mentioned by U.S. leaders—must be carried out in the direction of political pluralism and a multiparty system to serve the free market and restore capitalism.

Foreign Minister Nguyen Co Thach Interviewed

BK2705093590 Hanoi Domestic Service in Vietnamese 1430 GMT 26 May 90

[Interview with SRV Foreign Minister Nguyen Co Thach by unidentified Voice of Vietnam Radio correspondent on his recent visit to West Europe, place and date of interview not given—recorded]

[Text] [Correspondent] Dear comrade minister, would you please evaluate your recent visits to the FRG, Italy, and Belgium?

[Nguyen Co Thach] I can say that my visits helped officials in those countries understand Vietnam better. They wished Vietnam success in renovation and highly appreciated the Vietnamese troop withdrawal from Cambodia. They also express their readiness to take part in a political solution to the Cambodian problem as well as the international supervision on Cambodia.

Concerning the relations between Vietnam and the FRG, our two countries have signed an agreement on cultural cooperation. The two nations have adopted a draft of an agreement on ensuring FRG investment in Vietnam, which will be signed soon. The two sides also discussed FRG technical assistance to Vietnam. However, the great result of my visit to the FRG was that the FRG is ready to inherit all treaties signed between Vietnam and the German Democratic Republic after Germany is united, except for political, ideological, security, and defense treaties.

My visit to Italy was also a success. I would like to express thanks to the Italian Government for providing Vietnam with $98 million in aid to Vietnam in three years to carry out seven projects, of which $28 million is nonrefundable. The other $70 million will be paid with the most favorable interest rate over 20 years. Vietnam will not have to pay in the first 10 years and the annual interest rate is 1.5 percent. If we take into consideration the current annual 4-5 percent inflation rate of the U.S. dollar, this interest is not enough to compensate for the inflation rate. In addition, the Italian Government is ready to study five other projects in Vietnam in the next several months which involves from $15-20 million. If these studies are favorable, the Italian Government will make favorable decisions.

I can say that the Italian Government has sympathized with Vietnam's difficulties and has wanted to enlarge its economic cooperation with Vietnam.

I also paid a one-day unofficial visit to Belgium. I also visited (?Strasbourg), site of the European Parliament. Due to time limits, I exchanged views with Belgian officials on issues similar to those discussed with the FRG and Italian governments.

I also met with many parliamentary members representing their countries at the European Parliament. Most of them supported the establishment of diplomatic relations between Vietnam and the European Economic Community [EEC]. I also attended a session of the European Parliament which discussed the relations between Vietnam and the EEC. During the discussion, most of the parliamentary members highly appraised Vietnam's new policy and stance on the Cambodian issue. They held that it is necessary for the EEC to establish diplomatic relations with Vietnam because this will bring mutual benefits to both sides. There were also opposition views, but no concrete reasons were given except some points in the ideological domain.

[Correspondent] What is the significance of these results to the political domain and how did you obtain these results?

[Nguyen Co Thach] The results were not as comprehensive as we expected. However, we must consider these results in the general context of the current world situation, especially given that the United States, Japan, and some Western nations still want to impose an embargo on aid to Vietnam. For this reason, these results are very important. We should also take into account the fact that various socialist countries and the Soviet Union are facing crises and that the world public opinion is not really in favor of socialist nations. Moreover, the reactionary forces are stirring up an anti-communist campaign in the world.

In view of this, the results were not as our wishes but we have to accept them in the framework of the present economic difficulties facing our countries, the Soviet Union, and other socialist countries. So, we must say that the stand of these Western countries is courageous and clearsighted. They are not afraid of the U.S. pressure and threats. Particularly, Italy has overcome the U.S. pressure and the regulations of the International Monetary Fund in Paris [words indistinct].

Another thing that we must note is that there were rumors saying that after the crisis and change in Eastern Europe, Vietnam would close its doors. So the visit to

Northern Europe by Vice Premier Vo Van Kiet, my visit to West Europe, and the Sino-Vietnamese talks show our independent and diversified policy on foreign relations.

[Correspondent] Comrade Minister, what difficulties still exist in the development of relations between Vietnam and these countries?

[Nguyen Co Thach] Objectively speaking, the Western European countries are now concentrating intensely on the problems of Europe, for instance, the monetary unification of the European Economic Community [EEC], the unification of the two German States, and cooperation between West and East European countries. These are their issues of primary concern. Therefore, it is impossible for Vietnam and other countries [words indistinct]. However, we can see that at present the United States is still trying to oppose us. Japan is also pursuing a policy [words indistinct]. So there must be certain limits despite the fact that they are very courageous and clearsighted.

However, I pay more attention to internal limits. We must realize that we are now switching ourselves from a system of bureaucratic centralism and state subsidy to a market economy along socialist lines. This is a process that cannot be achieved overnight because there still remains a confusion between old things and new things. However, the assistance we now receive from our cooperation with the West European countries—the countries that have maintained a commodity and market economy—is but a catalyst to foster economic cooperation between our country and various private corporations in these countries. However, we still have many weaknesses in this aspect. The extreme weakness is our macroeconomic management. And as far as macroeconomic management is concerned, there is the need of tools for our macroeconomic management, such as banking, currency, and finance. At present, we still lack experience in and do not pay enough attention to these tools.

Second is the issue concerning laws. Although we already have a law on investment, we still need many other laws to supplement this law. For instance, the law on enterprises, the business law, or the law on [words indistinct], and many other laws. Third is the issue concerning the system of infrastructures—such as roads, communications, seaports, airports, and telecommunications—which is still plagued with many problems.

However, if we look back over the period from the sixth party congress in December 1986 up to now, we can see how much progress we have made in our economy in only 3 years. This gives us the belief that by mobilizing all the key components of our macroeconomic management, we can bring about rapid progress. The quickest progress during the past three years was made in 1989 in the areas of pricing and exchange rate. Therefore I believe that with the experience acquired during the past three years and with a good work performance, the situation could undergo quick changes in the next two or three years, thus creating favorable conditions for better cooperation with other countries.

Thank you.

Vo Van Kiet Interviewed on European Tour

BK3005140290 Hanoi International Service in English 1000 GMT 30 May 90

[Interview with Vo Van Kiet, vice chairman of the Council of Ministers, by station correspondent "on his recent visits to several north European countries"—date, place not given; read by announcer]

[Text] On the results of his visit to Sweden and Finland, Mr. Vo Van Kiet said: The purpose of this visit was to discuss with these two countries their cooperation with Vietnam in the new stage. The north European countries' economies are highly developed with modern technology and great economic potential. Sweden, Finland, and Denmark have a time-honored friendship with Vietnam and they gave Vietnam great assistance such as the Bai Bang paper mill of Sweden, the Pha Rung shipyard of Finland, and the Hoang Thach cement plant built with Danish assistance.

Facing the demand of the new situation, both Vietnam and these countries want to enlarge their cooperation in all fields, including commerce and investment. This is the time for the two sides to meet each other to exchange views, discuss their relations on economic cooperation, Mr. Vo Van Kiet said. He informed these countries about the contents and orientation of the renovation, the economic structure, and democratization of the political life of the Vietnamese state and the Communist Party. He held talks with representatives of governments, organizations, businessmen, and companies of these countries, informing them of the market, economic policies, and projects to be invested in Vietnam. He also told them about the problems of their concerns and difficulties as well as prospects for their cooperation with Vietnam.

Swedish and Finnish friends who have closely followed the situation in Vietnam highly appreciated the renovation in Vietnam. Leaders of Sweden and Finland said that the working visit of Vice Premier Vo Van Kiet has brought them precious official information. Officials and businessmen of these countries also expressed their aspiration to have direct dialogue with Vietnamese companies to find out the possibility of their cooperation. Vietnam and Sweden have discussed their cooperation on electricity, paper industry, forestry, and communications. In Finland, the Vietnamese delegation discussed cooperation in ship building and repairing, chemistry, including fertilizer and water supply and drainage.

The General Corporation of Vietnam Airlines and the SAS Company, a joint venture of Sweden and other northern European countries, discussed their cooperation. Mr. Vo Van Kiet said that in Sweden, the Vietnamese delegation also met the Danish ambassador and several companies to discuss their cooperation with Vietnam and producing and sugar [as heard]. The Danish friends said the talks were very useful. Mr. Kiet said this was a new step in consolidating the friendship and cooperation, thus contributing to the cause of peace and security in the region and the world at large. Swedish and Finnish friends said the visit of the Vietnamese delegation marks a new stage of cooperation on a new scale.

Mr. Vo Van Kiet said: These results have bespoken their significance. The Swedish, Danish, and Finnish companies will come to Vietnam to discuss concrete measures for their economic cooperation with Vietnam. The Vietnamese Government will sign with Sweden agreements on ensuring investments and other documents to create favorable conditions for the cooperation between the two countries. The economic cooperation, Mr. Kiet added, is not one-way assistance but bilateral cooperation for mutual benefit. The cooperation between Vietnam and Sweden, Finland, and Denmark will be further strengthen.

Concluding the interview, Mr. Vo Van Kiet said: The visit was a success. He cannot visit all northern European countries. He visited only Sweden and Finland, and everywhere he went in these two countries he received deep sympathy and sincere cooperation. He expressed gratitude to the friends in Sweden, Finland, and Denmark for their fine sentiments.

Vo Chi Cong Arrives in Algiers 26 May

BK2705152790 Hanoi VNA in English 1506 GMT 27 May 90

[Text] Hanoi VNA May 27 - State Council President Vo Chi Cong, Politburo member of the Communist Party of Vietnam Central Committee, arrived in Algiers on Saturday on an official friendship visit to the Democratic and Popular Republic of Algeria.

He is accompanied by Nguyen Viet Dung, secretary general of the State Council, Hoang Quy, member of the CPV Central Committee and minister of finance; Le Mai, deputy foreign minister; and Dinh Van Niem, assistant to the State Council president.

The Vietnamese president was welcomed at the Haouari Boumedienne International Airport with full state honors. Present on the host side were Chadli Bendjedid, president of the republic; Mouloud Hamrouche, prime minister; Rabah Bitat, president of the National Assembly; and many other high-ranking Algerian government officials and Army officers.

Speaking to the press on arrival, President Vo Chi Cong expressed his hope that his first ever visit to Algeria as well as his broad exchanges of views with President Chadli Bendjedid will be highly successful to mark a new step of development of the friendship and cooperation between the governments and peoples of the two countries.

UNDP-Funded Transportation Document Signed

BK2805102390 Hanoi VNA in English 0717 GMT 28 May 90

[Text] Hanoi VNA May 28—The document of a UNDP-funded project on Vietnam's national transportation review (VIE/88/040) was signed here on May 25 by Bui Van Suong, vice-minister of transport and posts, and David Smith, resident representative of the United Nations Development Programme (UNDP).

The UNDP contribution for this project will be 828,000 US dollars and that of the Vietnamese Government, 225 million Vietnamese dongs.

The project has been designed to support the assessment of the present condition of the transport sector resources in terms of infrastructure, transport supply, operation, administration and associated activities such as contruction and maintenance, to determine the necessary inputs to meet immediate and future medium-term needs of the country while providing a framework for international cooperation and investment with a election of development priorities and investment projects.

Cuban Party-State Delegation Leaves 25 May

BK2605153090 Hanoi VNA in English 1443 GMT 26 May 90

[Text] Hanoi VNA May 26—A Cuban party and state delegation led by Raul Valdez Vivo, member of the Communist Party Central Committee, left Vietnam on Friday [25 May] after attending the calebration of the late President Ho Chi Minh's birth centenary (May 19).

While in Vietnam, the Cuban guests were received by Nguyen Van Linh, general secretary of the Communist Party of Vietnam Central Committee, and had working sessions with other high-ranking Vietnamese party and state officials.

Energy Ministry Expands International Cooperation

BK2905051890 Hanoi Domestic Service in Vietnamese 1100 GMT 27 May 90

[Text] Formerly, the Ministry of Energy cooperated mainly with the Soviet Union and some other socialist countries in the form of getting long-term capital loans for the importation of technology in accordance with agreements between governments. Recently, the ministry has broadened international cooperation in energy concerning the forms of cooperation and the number of countries involved.

The Soviet Union, however, still plays a key role in international cooperation in energy. The Vietnamese Ministry of Energy and the Soviet Ministry of Power and Electricification have conducted surveys and prepared economic-technical feasibility studies for a number of major energy projects belonging to the general plan for Vietnam's third phase of energy development. These projects include the Ham Thuan Hydroelectric Power

Plant, the Ya-Li Hydroelectric Power Plant, and a thermo-power plant for the southern provinces. The two ministries have submitted their plan of cooperation to their respective governments for approval.

The Ministry of Energy has recently applied some new procedures for international cooperation in energy, including the purchase of standardized equipment, the hiring of assembling specialists, delayed payment in kind, and the establishment of joint enterprises. The ministry has also created conditions for foreign firms and companies to enter Vietnam for making surveys and preparing documents so that they can respond when international bids for the construction of energy projects in Vietnam are called for.

11 Chinese Fishermen Returned 30 May

BK3005152990 Hanoi VNA in English 1449 GMT 30 May 90

[Text] Hanoi VNA May 30—Eleven Chinese who had drifted into Vietnamese waters in the central province of Nghe Tinh were returned to the Chinese side at the Huu Nghi Border Gate (Lang Son Province) today.

Vo Chi Cong Congratulates DPRK's Kim Il-song

BK2505162890 Hanoi VNA in English 1507 GMT 25 May 90

[Text] Hanoi VNA May 25—State Council President Vo Chi Cong today extended congratulations to Kim Il-song on his re-election as President of the Democratic People's Republic of Korea.

In his message, Vo Chi Cong wished the friendship and cooperation between Vietnam and the DPRK further consolidation and development; and the Korean people, under the leadership of the Workers' Party of Korea more successes in national construction and in struggle for national reunification.

Also today Chairman of the Council of Ministers Do Muoi congratulated Yon Hyong-muk on his re-appointment as premier of the Administration Council of the DPRK.

For his part Chairman of the National Assembly Le Quang Dao extended congratulations to Yang Hyong Sok on his re-election as Chairman of the Standing Committee of the Supreme People's Assembly of the DPRK.

Sericultural Joint Venture Setup With DPRK

BK3005074890 Hanoi VNA in English 0715 GMT 30 May 90

[Text] Hanoi VNA May 30—The document on establishing a sericultural joint venture in the Red River Delta province of Hai Hung was signed here recently between Vietnam and the Democratic People's Republic of Korea. The joint venture, named Vietnam-DPRK Sericultural Joint Venture (VIKOSERI), will be allotted 3,000 hectares to grow mulberry in ten years and permitted its final product-natural silk. The Vietnamese side is to contribute 45.29 percent of prescribed capital, and the rest will come from the Korean side.

Hanoi Comments on Burmese General Elections

BK2905123490 Hanoi International Service in English 1000 GMT 29 May 90

[Text] The first free general elections were held in Burma last Sunday [27 May]. About 21 million voters went to the poll to elect 500 [as heard] members of parliament.

According to initial results, the National League for Democracy—the opposition party—headed by [U] Kyi Maung won 85 percent of the votes.

This result proves that the Burmese people supported the process of democratization in the country and opposed the three-decade long dictatorship.

Do Muoi Addresses Banking Sector's Conference

BK2805120390 Hanoi Domestic Service in Vietnamese 2300 GMT 26 May 90

[Text] The banking sector held a conference from 24 to 26 May in Hanoi to assess its past work and to begin implementation of the Council of Ministers' decree on the banking sector's function, tasks, and organization. Comrade Do Muoi, chairman of the Council of Ministers, attended and addressed the conference.

Since the sector went commercial 18 months ago, banking activities have picked up. Capital inflow has increased rapidly, by almost five times as compared to previously, and basically met the economy's demand for capital. Bank credits have found extensive usage with the credit structure being properly readjusted to ensure efficiency. Banks have been able to honor the "borrow money to lend" motto and to reduce the issuance of credits. The sector has renewed management over business transactions involving foreign currencies and precious metals, placed an amount of foreign currencies under state control, and relieved the shortage of gold in the market. The banks now have at their disposal a gold reserve for intervening in the gold market and preventing sudden gold price increases.

Banks have helped remove bottlenecks facing the economy by enacting such measures as postponing the collection of debts, offering loans at special interest rates, and providing the agricultural production sector with capital for buying rice for export. Through many measures, the sector has made important contributions to stabilizing the currency; increased the money turnover through the banking system from 4.3 to 5.5 times a year; slowed down the pace of inflation; and step by step restored the people's confidence.

However, banks have in the past only played a limited role in providing comprehensive staff service to party committee and administrative echelons as concerns policies for economic development and for the control and management of money and credits. Banking operations still remain unclear in character, whether managerial or commercial. Financial and credit relations have not been established in a standardized and comprehensive manner, thus weakening the entire banking system. Within the banking sector itself, management has been slack, inspection cursory, and control and supervision loose; and correctional actions have shown a lack of urgency and determination.

An outstanding weakness of the banking sector in the past has been the lack of standardization and cohesiveness in the application of monetary policy and the mechanisms for cash, credit, payment, financial, and other banking transactions. The state bank has slackened management over commercial banks and has allowed some of them to pursue only profits, thus giving rise to irregularities in operation and management. Banks have also failed to monitor the use of borrowed funds. Consequently, the amount of overdue debts has quintupled as compared with the pre-commercialization period. Also, the recovery of funds issued on credit has been poor.

Over the past half a year and more, the banking sector has—either on its own or in coordination with concerned sectors such as the financial and control sectors—undertaken efforts to detect and deal with negative cases. Through selective investigation, the sector has to date uncovered the unprincipled disbursement of a total of 26.3 billion dong by eight banks, and has taken disciplinary action against 1,030 cadres.

All this, however, is only a beginning. The banking sector must continue correcting mistakes and recover the excessive amount of overdue debts to meet social demands. To perform its work well the sector has adopted five immediate tasks involving credits, cash, payment, control of foreign currencies and precious metals, and the correction of past mistakes made by credit cooperatives.

Addressing cadres of the banking sector, Comrade Do Muoi, Political Bureau member of the party Central Committee and chairman of the Council of Ministers, praised the sector for its recent efforts. He urged the sector to take corrective measures as concerns the use of money, the attraction of capital from among the people, and payments and regulation of the money flow within the economy.

The banking sector should use money effectively and invest in recreating fixed assets and expanding the renewal of the production cycle so as to increase national income and consequently, the ratio by which national income is mobilized for the state budget. At present, the people still hold on to a lot of money and gold. The banks, therefore, must work out a satisfactory credit policy aimed at mobilizing this source of capital to meet the demands of the economy. Instead of borrowing a lot from foreign countries, we must mobilize and accumulate capital at home. Banks must play a role in controlling the money supply in the economy and regulating supply and demand both at home and abroad. Due consideration must be made before a decision to spend is reached. Banks operate on a commercial basis, but they must not lose capital. Payments must be settled quickly, conveniently, and on schedule in order to speed the circulation of capital, increase capital turnover, and win ever-increasing trust from customers.

In the country's strategy for economic development, the banking sector plays a very important role. Therefore, it must renovate its organization and train qualified cadres to become fully capable of fulfilling their tasks.

Cabinet Issues Decision on Capital Inventory

BK3105052090 Hanoi Domestic Service in Vietnamese 0500 GMT 30 May 90

[Text] On 16 May 1990 Council of Ministers Chairman Do Muoi signed Decision No. 160/HDBT on inventory and reassessment of materials and assets which is to be carried out by administrative and professional units throughout the country beginning at 0000 [1700 GMT] on 1 July 1990. The move will involve state agencies, party organizations, mass societies, social organizations, hospitals, schools, research institutes, public utility projects, cultural and art projects, and physical education and sports facilities.

The steering committees set up in the framework of the Council of Ministers' Decision No. 101 dated 1 August 1989 to oversee inventory and reassessment of capital for production and business transactions at all levels will continue their task of guiding and organizing inventory work this time. If such committees are still nonexistent, the sectors and units concerned must set them up in accordance with the Council of Ministers' Decision No. 101 dated 1 August 1989 and Decision No. 174 dated 27 September 1989.

The State Pricing Commission; the Statistics General Department; the Ministry of Finance; the State Science and Technology Commission; the Ministry of Building; the Ministry of Culture, Information, Sports, and Tourism; the Ministry of Foreign Affairs; and the Ministry of Education and Training are dutybound to coordinate with the Inventory Steering Committees to guarantee that conditions are such that inventory work may be carried out as scheduled.

As far as grass-roots units are concerned, unit leaders, chiefs of financial management sections, and chief accountants are responsible for organizing inventory work in accordance with higher echelons' directions.

Directive Issued on Press, Radio Violations

BK2505145090 Hanoi Domestic Service in Vietnamese 1430 GMT 24 May 90

[Text] The Council of Ministers chairman on 18 May issued a directive on reporting and replying to issues raised by the press and radio broadcasting stations. The directive says: For issues of violations to the law, state property, and the workers' right to mastery as well as persecution of the innocents, let all ministers, vice ministers, chairmen of committees, and heads of agencies attached to the Council of Ministers, and chairmen and vice chairmen of people's committees, provinces, municipalities, and special zones directly subordinate to the central government take responsibility in the following tasks:

1. Those who were criticized by name by the press and radio broadcasting stations must clarify their cases through the press and radio stations.

2. These persons must immediately report to the Council of Ministers the issues raised by the press and radio stations.

Army Paper Assesses 'Humanitarian Democracy'

BK2905130990 Hanoi Domestic Service in Vietnamese 2330 GMT 27 May 90

[Artcile by Tuan Minh in QUAN DOI NHAN DAN: "Humanitarian Democracy For Whom?"—date not given]

[Text] There are people who, though inherently communists, no longer regard socialist democracy as supreme. For them, socialist democracy is something synonymous with dictatorship, fascism, and inhumanity. Therefore, they dare not speak of proletarian dictatorship but they strive to imagine a kind of humanitarian democracy for all.

It is not new that no one is more desirous of freedom and democracy than the working class and the laboring people. Being the oppressed and the exploited, they are deprived of all freedoms and have all their rights to mastery usurped. That is why they have struggled to free themselves while building a free society for all.

Regrettably, in society there is still opposing classes. Once there is freedom for one class, there will be no freedom for the other class—once there is freedom for the slave master, there will be no freedom for the slaves; once there is freedom for feudalists, there will be no freedom for the enslaved peasants; and once there is freedom for capitalist bosses, there will be no freedom for workers. A truly democratic liberty for all peoples and classes is nowhere to be found.

Is the United States the paradise for democratic liberty? Those agreeing with this may have deliberately forgetten the fact that the United States has a huge mechanism of force made up of a 2 million-strong army, the maintenance of which costs some $500 billion annually. The United States also has a 600,000-strong contingent of police and other secret services such as the CIA, the DIA, and the FBI with tens of thousands of members who have access to a budget amounting to billions of dollars that no one can verify.

This mechanism is certainly not created to sit idle nor is it designed to fight foreign aggression or to build a humanitarian democracy for all. Its only missions are to keep a close watch on and suppress those refusing to subject themselves to capitalist rule; and to abet and lend a helping hand to the Klu Klux Klan, the racists of all stripes, and the fascists, which unite in virtually open associations, for they are very necessary for the existence of capitalism.

There is no small amount of praise for the ruling mechanisms of developed capitalist countries for their being institutionalized and legalized. This is true, but regardless of how much they are institutionalized and legalized, their undemocratic nature does not go away but it has become more sophiticated and insidious to the point whereby everything appears to be permissible. But in fact, no one is ever allowed to argue about the capitalist rule, let alone to overthrow it. Whoever attempts to go beyond the limit will face iron fists.

The socialist revolution is designed to liberate mankind and to upgrade the laboring people to the position of the masters of society and of their own countries. But it is a process of struggle between the two paths—socialist and capitalist.

Exploitive and reactionary forces inside Vietnam have yet to completely disappear. Encouraged and assisted by external reactionary forces, they are constantly seeking to regain their lost ruling position. Faced with such a situation, how could the working class and the laboring people lay down their arms and how could they allow the antagonists to freely oppose the Revolution.

In various socialist countries, although the ruling class has been overthrown, an harmonious contingent of people is not yet available, especially in the initial stage of the transitional period.

Hiding among the people are the remnants of various opposing and hostile forces which, of different political and social colors, are operating under various forms. They have one thing in common, that is they always use the name of the people to oppose the interests of the people and the revolutionary administration.

Even though the revolutionary struggle continues its progress, the idea of making all kinds of democratic liberties available to everyone is impossible. Only the unrealistic and the gullible can think such a thing. There has never been an unlimited democracy. According to common sense, the limit of a person is that he should not violate the freedom of another. But our revolutionary morality calls for making democratic liberties available for the revolutionary masses and people and there will be no democratic liberties for those betraying their fatherland and working against the interests of the people.

We hope that one day there will be democratic liberties for every one. That time will come only when there is no longer class confrontation in the country and in the world and when communism is set up. But that day is still far off. And now we have a comparatively good system of democracy. Anyway, it is still regarded supreme, for it represents the democracy and freedom of a multitude of the masses rather than of a handful of exploiters and rulers.

Together with its organs of power, a socialist state mechanism is set up to maintain this comperatively democratic liberty. One day, we will advance to a perfect democracy when opposing forces are no longer existent and when an harmony has been achieved among the people. As long as the enemy still refuses to relinquish their sabotage schemes and tricks, any call for giving up proletarian dictatorship and dissolving public security forces and the Armed Forces is an immoral act.

What has recently taken place in a number of socialist countries when the alleged democracy for all came into being? There were scenes of looting and mayhem on streets when hundreds of thousands of inmates were released indiscriminately. Reactionary parties and fascist and freedom organizations have cropped up like mushrooms with their programs of action being directed at eliminating socialism. There have been manhunts for genuine communists and misappropriations of their property. And there have also been cases of retaliation against security agents just because they had been found devoted to their career. Humanitarian democracy has cost too high a price!

Those clamoring for an end to the use of force have used force or abetted the use of force against the innocent people. The Christian Bible says: Whoever slap you on your left cheek, you should, out of compassion, show your right cheek for that person to give you another slap. Revolutionaries like us do not accept this kind of humanity. We will never unreasonably offend and slap anyone and will never want to slap anyone. But anyone who happens to slap us, we will answer with a punch. As Lenin once put it: Proletarian dictatorship does not advocates using force as a main recourse. Force should only be used when unavoidable for self defense—defending revolutionary gains. The final goal should be democracy and freedom.

Regrettably, there are times when revolutionaries have failed to fully understand Lenin in this concept. The class struggle has, in fact, been over-intensified and the concept of force has been over-upheld, coupled with depotistic, arbitary, and egoistic actions. In the name of proletarian dictatorship, these revolutionaries have turned friends into foes and have handled the divergences among the internal ranks of the people as divergencies between the enemy and friendly forces. They have gravely violated the fine humanitarian nature of socialism and have dissapointed the people and, even worse, have on certain occasions aroused indignation among the people.

Further perfecting socialist democracy; building a state ruled by the law; strictly respecting citizen rights; linking the people with their rights and duty; cleanly sweeping away bureaucratism, depotism, and arbitrariness; and ensuring that no one has unlimited power and that no one can use the name of the law to violate the law are the important tasks in the process of renovating politics.

In the final analysis, the strength of a revolutionary administration and of the socialist regime lies in promoting unity among the entire people, practically regarding the people as the root, and truly respecting the people's rights to mastery. This must be reflected in all party and state policies and through the words and deeds of party cadres and members and government employees. All this is for building an invincible strength for socialist democracy.

Army Paper Reports Desertions of Conscripts

BK2505070090 Hong Kong AFP in English 0655 GMT 25 May 90

[Text] Hanoi, May 25 (AFP)—Thirty-four percent of the conscripts in one Vietnamese Army brigade have deserted, with up to 50 percent fleeing some units, the Vietnamese Army daily reported Friday [25 May]. "In another unit, 20 percent of the recruits deserted the day they were enrolled," QUAN DOI NHAN DAN said. The conditions of military life should not be blamed on "authoritarianism and the brutality of commanders," it said, adding that instead the problem had more to do with "the inadequacies and weaknesses in education and propaganda."

The Vietnamese Army, once the third largest in the world, now has just under one million men after huge cuts in the past two years, mainly for economic reasons. Military service, in theory compulsory in Vietnam, lasts two years for graduates and three years for other conscripts.

Dong Sy Nguyen at Reserves Department Meeting

BK2405094390 Hanoi Domestic Service in Vietnamese 1100 GMT 23 May 90

[Text] The National Reserves Department recently met representatives from the People's Committees in the northern and central provinces and 16 of its 18 branch offices to discuss measures for overcoming negative phenomena, shortcomings, and problems in grain reserve management during recent years; recovering paddy loaned out or exchanged for goods; and purchasing grain as reserves. Vice Chairman of the Council of Ministers Dong Sy Nguyen attended and addressed the meeting.

In this year's winter-spring crop season, the National Reserves Department and its branch offices in various localities will concentrate on recovering all paddy loaned out or exchanged for goods. Right now, all branch offices of the department are starting to compile statistics of units and individuals with paddy debts in order to introduce measures to quickly recover these debts.

Learning from shortcomings in the recent past, the department will take direct purchase as the main method. It will purchase through a third party as the secondary method in order to avoid the arbitrary grading and pricing of goods that may cause producers to suffer losses.

All branch offices of the department will reorganize the network of direct purchase, ensuring payment for grain purchase is made fairly and conveniently, without wasting peasants' time. Under the guidance of the People's Committees of various provinces and cities, the department will strictly sign contracts for the purchase of grain through a third party. This will ensure personnel are assigned for quality and quantity control throughout the process of purchase and delivery. It will also ensure confirmation of quantity, quality, and price. Apart from renovating grain preservation methods, all branch offices of the department will coordinate with various sectors concerned in buying or renting granaries from certain sectors for immediate use in the winter-spring crop season, ensuring they are fully capable of accommodating the volume of grain reserves for this year.

Meeting Assesses Fifth-Month Spring Rice Crop

BK2505061990 Hanoi Domestic Service in Vietnamese 1100 GMT 23 May 90

[Text] On 21 and 22 May, the Ministry of Agriculture and Food Industry held a conference of provincial people's committee vice chairmen in charge of agriculture, directors of agriculture services, and representatives of central sectors involved to assess the initial results of the 1989-90's fifth-month spring crop cultivation. It also discussed 1990's 10th-month and winter crop production and 1990-91's fifth-month spring crop production.

This year, the northern provinces have begun harvesting most of the fifth-month spring rice that bears grains. An inital assessment shows this crop has covered a large area of 1.7 million hectares, almost fulfilling the area plan norm. However, by and large, the rice is not well developed. If there is no other unexpected developments, this rice crop can be considered one of the relative bumper crops, though it is not as good as last year's crop that yielded 32.5 quintals per hectare. This crop yielded about 30 quintals per hectare.

In order to attain the norm of 3.132 million tonnes of 10th-month grain, besides typhoon and flood control measures, seeds, materials, fertilizer, and other measures, the transfer of technology has become a pressing requirement of production when the management mechanism in cooperatives has changed. Through advertisements in the press and radio, the Department of Vegetation Protection, Animal Husbandry, and Veterinary will continue to broadly publish technical guidance documents in order to transfer technology down to the grass-roots level and peasants.

In the 1990-91 winter crop season, northern provinces will plant 345,000 hectares of crops, including corn, sweet potatoes, and assorted vegetables, striving to achieve a production volume of rice equivalent of 600,000 tonnes. The guideline for 1990-91's fifth-month spring crop season is to increase to 90 percent of using assorted spring rice seeds for the early and main rice plantings.

Bumper Winter-Spring Rice Crop Harvested in South

BK2505095790 Hanoi Domestic Service in Vietnamese 0500 GMT 25 May 90

[Text] According to a recent assessment by the Ministry of Agriculture and Food Industry, the southern provinces have finished reaping the winter-spring rice crop, a bumper crop in terms of area, yield, and output. The rice acreage totaled 817,200 hectares, up by 9.7 percent; rice yield topped 44 quintals per hectare; and output was estimated at nearly 3.8 million metric tons, meeting the plan norm and up by 10 percent as compared with the previous crop season.

In particular, the Mekong Delta provinces—thanks to vigorous efforts to develop the Plain of Reeds, the Long Xuyen Quadrangle, and the western bank of the Hau River—were credited with transplanting rice on nearly 760,000 hectares. This exceeded the area plan by almost 20,000 hectares; recorded a rice yield of 48 quintals per hectare; and turned out a total of more than 3.6 million metric tons, an increase of nearly 400,000 metric tons over the previous crop season with An Giang, Hau Giang, Dong Thap, and Long An Provinces accounting for fairly large increases.

Dac Lac To Remove 9 Percent of Party Members

BK2505095190 Hanoi Domestic Service in Vietnamese 1430 GMT 24 May 90

[Text] The standing body of the Dac Lac Province Party Committee has arranged for key cadres of the province to study the contents of the sixth party Central Committee's eighth plenum resolution. Dac Lac has laid emphasis on promoting solidarity among the various ethnic groups and settling internal conflicts in a fair and reasonable manner in order to ensure political stability.

The provincial party organization is expected to remove about nine percent of its members—people who have violated discipline, shown opportunistic tendencies, become degenerate and degraded, engaged in corrupt practices, lacked a sense of responsibility, or failed to keep up with the requirements of the prescribed lines because of their limited capabilities. Dac Lac has paid attention to consolidating the party organization, the state machinery, and mass organizations and to renewing the relationship between the party and the people.

The year 1990 is designated by Dac Lac as the year for consolidating the grass roots. The provincial party committee has adopted a mechanism under which each party member is assigned to conduct regular activities at grass-roots units. It will be accountable before a certain number of people at the grass-roots level and evaluated by the grass roots concerning his work performance, ethics, and conduct.

Son La Committee Focuses on 'Pressing Tasks'

BK2505090490 Hanoi Domestic Service in Vietnamese 1430 GMT 24 May 90

[Text] The party committee of Son La Province has focused on carrying out pressing tasks that consist of reviewing and supplementing the regulations on the operation of party units, administrative bodies, and mass organizations; broadening internal democracy; renovating the leadership methods of party committee and administrative echelons; respecting the material and spiritual interests of the masses; and purifying party ranks.

The province has paid attention to training cadres for grass-roots units, especially those in the high mountain and border areas. Cadres, party members, admnninistrative bodies, and mass organizations at all levels have satisfactorily worked on the settlement of nomads and the allocation of lands and forests. Essential commodities such as cooking oil, salt, writing paper, and medicine are being sent to high mountain areas before the rainy season sets in. Also, efforts have been made to evacuate people from the Da River Basin before the coming of torrential rains, with compensation for the evacuees being reviewed to cover moving expenses. Efforts have been made to provide 3,500 people in the Phu Yen and Bac Yen Districts in the river basin area with grain.

Symposium on Literary Criticism Held in Hanoi

BK2605154790 Hanoi VNA in English 1441 GMT 26 May 90

[Text] Hanoi VNA May 26—A symposium on the theory of criticism and the process of literary renovation in Vietnam was organized here on May 22-23 by the Vietnam Writers' Association.

It was attended by more than [words indistinct] critics and writers, representatives of the Writers' Association, and Tran Trong Tan, member of the Communist Party of Vietnam and head of its Commission for Ideology and Culture.

Thirty-six papers presented at the symposium dwelt on the nature, function and role of criticism in the past and current stages of development of Vietnamese literature, particularly in view of the nationwide process of renovation in Vietnam at present.

Algerian Reportage on Vo Chi Cong Visit

WA3005125090

For Algerian reportage on the visit by Council of State Chairman Vo Chi Cong, including his talks with Algerian President Chadli Bendjedid, see the Algeria section of the 30 May Near East & South Asia DAILY REPORT and subsequent issues.

Australia

Evans Rules Out Economic Sanctions Against Fiji

BK2705065890 Melbourne Overseas Service in English 0500 GMT 27 May 90

[Text] Australia's foreign affairs minister, Senator Gareth Evans, has ruled out Australia imposing economic sanctions against Fiji. In a television interview, Senator Evans said Australia had been asked to look at ways of setting up pressure on Fiji's interim government to enter into dialogue with the opposition. However, he said this would not include economic sanctions.

After talks with Senator Evans in Canberra last week, Fiji's opposition leader, Kuini Bavadra, said she was hopeful that Australia would do more to encourage Fiji's return to democracy. Before the talks, she accused Australia of being too casual in its approach to developments in her country.

Fiji Opposition Leader 'Hopeful' for Support

BK2605080290 Melbourne Overseas Service in English 0500 GMT 26 May 90

[Text] Fiji's opposition leader Adi Kuini Bavadra says she is hopeful that the Australian Government will do more to promote the return of democracy in Fiji. Adi Kuini made the statement in Canberra after talks with the acting Australian prime minister, Mr. Keating, and Foreign Affairs Minister Senator Evans. She said the Australian ministers had pledged to seriously consider proposals she had put to them and provide an early response.

The opposition leader declined to give details of what she proposed. Adi Kuini added that they had a positive reaction to her (?comparison of) the interim Fiji government's draft constitution and the institutionalized racism of apartheid in South Africa.

Evans Says Cambodian Talks Could Be Reconvened

BK3005085790 Melbourne Overseas Service in English 0500 GMT 30 May 90

[Text] Australia's Foreign Minister, Senator Evans, has said that peace talks on Cambodia could be reconvened before the end of this year. Senator Evans was speaking in Paris after he and the treasurer, Mr. Keating, had talks with the French prime minister, Mr. Rocard, during which Cambodia was mentioned.

Senator Evans said there was an air of optimism around the Cambodian situation, but no one was getting too excited yet. Australia is the main initiator of the proposal to have the United Nations involved for an interim government in Cambodia until fair elections can be held. The proposal has won wide support but agreement between the warring factions in Cambodia has proved more difficult. But Senator Evans said chances of an agreement were now looking better following talks over the weekend in New York between the big five of the UN Security Council—the United States, the Soviet Union, China, Britain, and France.

Evans Says Bougainville Situation Stabilizing

BK2705083290 Hong Kong AFP in English 0805 GMT 27 May 90

[Text] Canberra, May 27 (AFP)—Papua New Guinea's tough stand on Bougainville's declaration of independence is likely to succeed, Australian Foreign Minister Gareth Evans said here Sunday.

Mr. Evans told a television interviewer that the troubles in Papua New Guinea were stabilising and Bougainville's secession move was not an intractable situation.

He praised the country for using what he called a "squeeze" approach to show that independence would not be tolerated.

"In a sense it's a robust approach, but it's not a bloody approach and it is one that I think has an excellent chance over time of bearing fruit," Mr. Evans said.

Bougainville, the largest island in north solomons province with a population of 100,000, declared its independence from Papua New Guinea on May 17, a move Port Moresby dismissed immediately as unconstitutional.

More than 80 people have been killed on Bougainville since the secessionist rebellion turned violent in late 1988 after brewing since 1960, when an Australian mining company arrived to prospect for metal ore.

Local landowners have demanded massive compensation from the company's copper and gold mine on Bougainville for use of their property.

The mine, which provided about one-sixth of government revenues and more than 40 per cent of export earnings for Papua New Guinea, has been closed since May.

Bougainvilleans, who are largely Melanesian, regard themselves as racially and culturally distinct from the rest of Papua New Guinea, having more affinity with the Solomon Islands, just 10 kilometres (six miles) away at its nearest point.

Government Closely Observes Burma Elections

BK2905052490 Melbourne Overseas Service in English 0500 GMT 29 May 90

[Text] The Australian Government says it will urge the authorities in Myanmar [Burma] to hand over power to the opposition National League for Democracy if the party has won a majority of seats in the national elections.

The defense minister, Senator Ray, speaking on behalf of the foreign minister, said the Australian Government was paying close attention to the return of election results. Senator Ray said Australia expected the military regime to abide by its undertaking that military rule was an interim measure pending a transfer of power to a government formed as a result of the election. He said the military regime's promise of the elections would be free and fair was seriously undermined by the authorities suppression of political dissent and the intimidation of political opponents.

Senator Ray said it was particularly regrettable that the leader of the National League for Democracy, Aung San Suu Kyi, was still under house arrest and was disqualified from standing in the election.

Keating to Europe; Hawke To Resume Work

BK2705064490 Melbourne Overseas Service in English 0500 GMT 27 May 90

[Text] The treasurer, Mr. Keating, is today starting a three-week trip to Europe which will include talks with government officials and business leaders in West Germany and Britain. He will also be visiting Paris to represent Australia in the ministerial meeting of the Organization for Economic Cooperation and Development and for talks with the French prime minister, Mr. Rocard.

Meanwhile, the prime minister, Mr. Hawke, is expected to resume work from his official residence in Sydney this week after undergoing prostate gland surgery earlier this month.

Hawke Condemns IRA Killing of Two Australians

BK2905055490 Melbourne Overseas Service in English 0500 GMT 29 May 90

[Text] The Dutch Government has put up a reward of $70,000 for information leading to a conviction of the Irish Republican Army gunman who shot and killed two Australians in the Netherlands. The IRA, which is fighting to end British rule in Northern Ireland, has since issued a statement saying that the two men were mistaken for British Army personnel and it deeply regrets the tragedy.

The dead men were living in Britain and had a British-registered car. The wife of one and the girlfriend of the other escaped uninjured.

Meanwhile, the prime minister, Mr. Hawke, has condemned the killing, described the deaths as tragic, and said the apology by the IRA was meaningless. Mr. Hawke said there was nothing which could justify or explain the deaths.

Fiji

PRC's Yang Shangkun To Make Stopover 31 May

BK2905073890 Hong Kong AFP in English 0726 GMT 29 May 90

[Text] Suva, May 29 (AFP)—Fiji's two-China policy will get another boost this week when Chinese President Yang Shangkun arrives as his country's first head of state to visit a South Pacific island state, officials here said Tuesday [29 May]. Mr. Yang's 26-hour stopover will come only 11 days after Fiji President Ratu Sir Penaia Ganilau attended the May 20 inauguration of his Taiwan counterpart Lee Teng-hui.

The brief visit by Mr. Yang on his way home from a South American swing underscores Fiji's success in maintaining diplomatic, trade, economic and even defense ties with both Beijing and Taipei, observers said. China has a full embassy in Suva, while Taiwan maintains a regional trade mission.

Fiji Government House Secretary Ratu Nacanieli Uluiviti said Mr. Yang would arrive on a goodwill visit late Thursday [31 May] and would be greeted at Nadi Airport with a traditional welcome. A meeting between the two presidents is the only official engagement planned for Mr. Yang, who is scheduled to return to Beijing late Friday, Mr. Uluivit said.

Accompanied by a 50-member delegation, including Vice Premier Wu Xueqian, Mr. Yang is currently on a 15-day state tour of five South American countries. He and his delegation will arrive here from Chile.

China, which last month renewed a contract to buy additional Fijian sugar, is one of Fiji's traditional sources of aid and loans for rural development projects.

Mr. Yang's visit follows separate trips to Beijing by interim Prime Minister Ratu Sir Kamisese Mara and the country's Armed Forces commander, Major-General Sitiveni Rabuka, in the last two months. Fiji officials said China promised economic and defense cooperation, and that Prime Minister Li Peng had accepted an invitation to visit here.

Suva's ties to China have drawn criticism from the Fiji opposition, which calls it a "growing and disturbing relationship," especially after the bloody suppression in June of pro-democracy forces in Beijing. "Fiji's move to foster closer relations with China as a source of weaponry and military support must be viewed with grave concern," opposition leader Adi Kuini Bavadra said Monday in Sydney.

Rabuka Views India's Diplomatic Expulsion

BK2605084290 Hong Kong AFP in English 0825 GMT 26 May 90

[Text] Suva, May 26 (AFP)—India's diplomatic expulsion from Fiji was long overdue, Armed Forces Commander Major-General [Maj.-Gen] Sitiveni Rabuka said on national radio here Saturday. Maj.-Gen. Rabuka told Radio Fiji he had recommended the closure of the Indian Embassy here to the interim government of Prime Minister Ratu Sir Kamisese Mara "some time back but the grounds then were not strong enough."

After the second of his 1987 coups, the general abrogated the Constitution which guaranteed an equal number of seats for both native Fijians and ethnic Indians who then just outnumbered the indigenous population. A new draft constitution would ensure a majority for native Fijians in Parliament.

The Indian Embassy here was closed and its staff ordered home Thursday, prompting protests by ethnic Indians who make up nearly half of Fiji's 727,000 people and control 80 per cent of the economy.

Before returning to barracks on January 5, Maj.-Gen. Rabuka said he believed India had been "very hostile to Fiji" and he had feared possible Indian military intervention after the coups.

Fiji's interim government ordered the embassy closed after what it said was "an unfriendly and unwarranted act" by India, accusing it of interfering in the country's internal politics and international campaign against Suva. New Delhi announced two weeks ago it planned to step up on internatinal pressure on Fiji to adopt a more democratic constitution.

Some 23,000 ethnic Indians have left since the 1987 coups, sparking fears of a massive exodus of skilled talent needed to power the country's economic recovery.

Rabuka Says Offers Received To Train Troops

BK2705065090 Melbourne Overseas Service in English 0500 GMT 27 May 90

[Text] The commander of the Fiji military forces, Major General Sitiveni Rabuka, says South Korea, Malaysia, and Singapore have assured him they are ready to train Fiji military personnel.

Speaking publicly in Suva for the first time about his recent tour of Asia, General Rabuka said the three countries were willing to provide training, particularly at the senior officer level. General Rabuka said that the three countries expressed interest in Fiji's efforts to secure French help to build a military maintenance base in Suva, but he added that their interest did not extend to making a counteroffer of assistance.

Gen. Rabuka also revealed that the Fiji military had placed overseas orders for some light vehicles and weapons for the Army specialist units. It had been financed from part of a Taiwanese loan of U.S.$2 million recently negotiated by the interim administration.

New Zealand

Bank of New Zealand Recovers From Heavy Losses

BK2405090090 Hong Kong AFP in English 0823 GMT 24 May 90

[Text] Wellington, May 24 (AFP)—The Bank of New Zealand (BNZ) Thursday announced a dramatic return into the black after heavy losses.

BNZ Chairman Syd Pasley announced profits after tax and before extraordinaries of 121.13 million New Zealand dollars (69.46 million U.S. dollars) for the year to March, compared with a loss of 626.58 million dollars (359.3 million dollars) the previous year. Mr. Pasley, who said those losses had entered "the folklore of the country's banking history," hailed Thursday's results as heralding a "sound and loud recovery."

Finance Minister David Caygill said he was delighted, adding that the government, which holds 52 per cent of BNZ, had decided to receive shares in lieu of dividends. "This will also help the bank's strategic requirement to retain appropriate funding for future growth," Mr. Caygill said.

Mr. Pasley said the results were a clear signal BNZ was determined and capable of re-establishing itself as New Zealand's premier financial institution. "We are back in business," he said. "The hard lessons of past mistakes have been learnt and long term decisions taken to provide a sound platform for future growth."

The bank's provision for doubtful debts was 193 million dollars (110 million dollars), compared with last year's staggering 1.294 billion dollars (742 million dollars).

Part of the bank's strategy for getting back into the black has been to restructure, selling a range of overseas interests.

The board would be recommending a dividend of 2 cents (1.1 cents) per ordinary share.

Solomon Islands

Government Refuses Recognition of Bougainville

BK2605081290 Melbourne Overseas Service in English 0500 GMT 26 May 90

[Text] Solomon Islands Prime Minister Mr. Solomon Mamaloni says his country does not recognize the unilateral declaration of independence by rebels on Bougainville. Mr. Mamaloni says his government recognizes Bougainville as part of Papua New Guinea [PNG] and will only recognize the national government headed by Prime Minister Rabbie Namaliu. Mr. Mamaloni says the problems in Bougainville are internal matters of Papua New Guinea, but his government will assist wherever it can.

Meanwhile, Honiara and Port Moresby are maintaining joint surveillance of their common maritime border after a number of rebels recently crossed into western province of Solomon Islands. The two countries have closed the border to traditional border crossers.